



20th **annual report**
2013 - 2014



Dr. Agarwal's Eye Hospital Ltd.

Because Vision is Life

19, Cathedral Road, Chennai - 600 086



Dr. Agarwal's Eye Hospital Ltd.

shines in International Conference and brings in Pride to India



The medical team - Prof. Amar Agarwal, Dr. Soosan Jacob, Dr. Kala Satish has won 5 Awards in American Society of Cataract & Refractive Surgery (ASCRS), 2014 at US



57
YEARS OF CARING
FOR EYES

A Tribute to Legendary Visionaries



Padma Bhushan
Late Dr. J. Agarwal
Founder & Chairman



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

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CORPORATE INFORMATION**DIRECTORS**

Dr Amar Agarwal (DIN 00435684)	Chairman Cum Managing Director
Dr. Athiya Agarwal (DIN 01365659)	Wholetime Director
Dr. Adil Agarwal (DIN 01074272)	Wholetime Director
Dr. Anosh Agarwal (DIN 02636035)	Wholetime Director
Dr. Jasvinder Singh Saroya (DIN 01485708)	Independent Director
Mr.M.R.G Apparao (DIN 01002591)	Independent Director
Mr.Prabhat Toshniwal (DIN 00045793)	Independent Director
Mr.Sanjay Anand (DIN 02501139)	Independent Director

AUDITORS

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

BANKERS TO THE COMPANY

State Bank of India,
Gopalapuram Branch
Chennai - 600 086

State Bank of India,
Industrial Finance Branch
Chennai-600 002

REGISTERED OFFICE

No.19 (Old No. 13), Cathedral Road,
Chennai-600 086
Website: www.dragarwal.com
CIN NO: L85110TN1994PLC027366
Telephone: 91-44-2811 2811

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

10 Year Financial Highlights

[illegible]

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the 20th Annual General Meeting of the shareholders of the company will be held on Tuesday, September 9, 2014 at 11.00 a.m at 19 (Old No.13), Cathedral Road, Chennai 600 086 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2014, the Balance Sheet as at that date and the Report of the Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director, in place of Dr. Adil Agarwal who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director, in place of Dr. Anosh Agarwal who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration. The retiring auditors, M/s M.K. Dandeker & Co., Chartered Accountants, Chennai, are eligible for reappointment.

“RESOLVED THAT, pursuant to the Section 139 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the audit committee of the Board of Directors, M/s M.K. Dandeker & Co. (Firm Reg.No.000679S) Chartered Accountants, Chennai, be and is hereby re-appointed as the Statutory Auditor of the Company, to hold office from the conclusion of this AGM to the conclusion of the next AGM and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors, and that such remuneration may be paid on a progressive billing basis to be agreed upon by the auditors and Board of Directors.”

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Sanjay Anand, Director of the Company who retires by rotation at the AGM and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose his candidature for the office of director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) years with effect from September 9, 2014 whose term shall not be subject to retirement by rotation.”

7. As a SPECIAL RESOLUTION:

“RESOLVED that in supersession of the resolution passed earlier in this regard, pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as may be amended from time to time, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any committee thereof

for the time being exercising the powers conferred on the Board by this Resolution) for borrowing from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total outstanding amount so borrowed shall not at any time exceed the sum of Rupees One Hundred Crores."

"RESOLVED FURTHER that the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required."

8. As a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of section 180(1) (a) and other applicable provisions, if any, of the companies Act, 2013 (hereinafter referred to as the Act) including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time, the consent of the company be and is hereby accorded to the Board of Directors of the Company (herein after referred to as 'the Board'), to mortgage and / or charge, in addition to the mortgages and / or charges created / to be created by the Company, on such terms and conditions and at such time or times and in such form or manner as it may think fit, on all or any of the movable and/ or immovable properties of the Company, both present and future and / or the whole or substantially the whole of the company's anyone or more or all of the undertakings, in favour of the Company's Bankers and / or Financial Institutions and / or bodies corporate and / or other lenders, to secure the loans and / or advances and / or cash credit and / or over draft facilities and / or the amount of debentures whatsoever, whether raised and / or to be raised and whether issued and / or to be issued, together with interest thereon, additional interest, compound interest in the event of default, accumulated interest, commitment charges, liquidated damages, premium or redemption, premium on prepayment trustee's remuneration, costs charges, expenses and other monies as may be thought expedient by the Board or any Committee thereof and in such manner as may be agreed to between the concerned parties, subject, however, that the total amount up to which money may be borrowed shall not exceed, in the aggregate, the total limit approved by the shareholders, from time to time."

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board or any committee thereof, be and is hereby authorised to finalise, settle, delegate and execute such documents, deeds, writings and agreements, as may be required and to do all such acts, deeds, matters and things, it may in its absolute discretion deem necessary, proper, expedient or desirable and to settle any question, difficulty or doubt that may arise in regard to creating the aforesaid mortgages and/ or charges."

9. As an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 181 and other applicable provisions, if any, of the Companies Act, 2013, consent be and is hereby accorded to the Board of Directors of the Company ("the Board") to contribute an amount not exceeding Rupees Five Crores, in one or more tranches, in any financial year, either directly or through a non-profit organization, or in any other way considered appropriate by the Board, to such bonafide charitable and other funds as may be deemed fit and appropriate by the Board."

10. As a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, if any, and revised Clause 49 of the Listing Agreement effective from October 1, 2014, consent of the Company be and is hereby accorded for the related party transactions :”

Particulars of proposed transactions for the purpose of approval u/s 188 of the Companies Act, 2013 and Maximum value of contract/transaction (Per Annum) w.e.f April 1st 2014 (Rs. In Lacs)		
Transactions defined u/s 188(1) of the Companies Act, 2013	Leasing of Property of any kind	Availing or rendering of any service
NAME OF RELATED PARTIES:		
Orbit Health Care Services Ltd, Mauritius		200
Orbit International	120	
Dr. Agarwal's Eye Institute	800	

“RESOLVED FURTHER THAT the board of directors of the Company be and are hereby authorized to enter/renew the arrangements, agreements, contracts or arrangements from time to time as may be necessary in this regard.”

11. As a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, if any, and revised Clause 49 of the Listing Agreement effective from October 1, 2014, consent of the Company be and is hereby accorded for the related party transactions with Dr.Agarwal's Health Care Limited for availing or rendering of service/s not exceeding Rs.300 lacs per annum.”

“RESOLVED FURTHER THAT the board of directors of the Company be and are hereby authorized to enter/renew the arrangements, agreements, contracts or arrangements from time to time as may be necessary in this regard.”

For and on behalf of the Board

Sd/-

Place: Chennai
Date: 02.07.2014

Dr.Amar Agarwal
Chairman Cum Managing Director

NOTES:-

1. The Statement pursuant to Section 102 (1) of the Companies Act, 2013, relating to the Special Business set out in the Notice 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 for the AGM is enclosed.
4. The Register of Directors and KMPs and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
5. Register of Contracts or Arrangements in which in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
6. The Register of members and the share transfer books of the company will remain closed from 2nd September to 9th September 2014 (both days inclusive) for the purpose of payment of the final dividend for the financial year ended March 31, 2014.
7. Dividend if declared, will be paid to the Members whose names appear on the Register of Members as on September 9, 2014 and in respect of shares held in Electronic Form, to the beneficial owners, as per list that will be furnished by National Securities Depository Limited/ Central Depository Services (India) Limited, as on that date.
8. Members are requested to notify immediately changes in their respective addresses with their registered email address, if any, quoting their folio number so that the dividend warrants are correctly despatched.
9. 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.
10. Members who hold their shares in electronic mode are requested to direct change of address notifications and updates of saving bank account details to their DPs. Hence, members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends.
11. Members are requested to write to the Registrar and Share Transfer Agents of the Company, M/s Integrated Enterprises (India) Limited, Chennai for more information, if any needed, on Nomination facility and/ or to get a copy of Nomination Form.
12. 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.
13. 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	Amount Rs.
2006-07	15%	18.09.2007	17.09.2014	16.10.2014	270157.50
2007-08	15%	12.08.2008	11.08.2015	10.09.2015	194496.00
2008-09	NIL	NA	NA	NA	NA
2009-10	8%	24.08.2010	23.08.2017	22.09.2017	121942.40
2010-11	12%	23.08.2011	22.08.2018	21.09.2018	175264.80
2011-12	NIL	NA	NA	NA	NIL
2012-13	12%	13.08.2013	12.08.2020	11.09.2020	218079.60

The Shareholders who have not claimed the dividends for the financial year ended 2006-07 are requested to claim the same before 17th September 2014 after which the amount will be transferred to IEP Fund.

14. The Ministry of Corporate Affairs (MCA) has taken a “Green Initiative in the step towards Corporate Governance” to allow paperless compliance by the corporate sector. MCA, vide its Circular dated 21st April 2011, has now made permissible the service of documents through electronic mode to shareholders.

To support the Green initiative of MCA, it is proposed to send, henceforth, all Notices, Annual Report and other communications through e-mail. For the above purpose, we request you to send an e-mail confirmation to our designated ID mentioning your name, DP/Customer ID or Folio number and your email ID for communication.

On this confirmation, we would, henceforth, send all Notices, Annual Report and other communications through e-mail. Copies of the said documents would be available in the Company's website for your access. We request you to support the Green Initiative of the Government by opting for electronic mode of receiving our corporate communications.

15. Wherever the name of the director appears, the same be read with the DIN no. of the concerned Director as appearing above in this Notice.

16. INSTRUCTION FOR E-VOTING

- 1 Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer the option of E-Voting facility to all the members of the Company to cast their votes electronically on all resolutions set forth in the Notice convening the 20th Annual General Meeting to be held on September, 9 2014 at 11:00 am IST. For this purpose, the Company has entered into an agreement with National Securities Depository (NSDL) to provide e-voting facility. The Members who wish to attend Annual General Meeting can vote at the Meeting.

The e-voting facility is available at the link <https://www.evoting.nsdl.com>

2 The instructions of e-Voting are as under:

- A In case a Member receives an e-mail from NSDL [for members whose e-mail IDs are registered with the Company/ Depository Participant(s)]
- i. Open the e-mail and open PDF file viz. "Dr.Agarwal's Eye Hospital e-voting.pdf" with your client ID or Folio No. as Password. The said PDF file contains your User ID and Password for e-voting. Please note that the Password is an initial Password.
 - ii. Launch internet browser and type the URL : <https://www.evoting.nsdl.com>.
 - iii. Click on Shareholder-Login.
 - iv. If you are already registered with NSDL for e-voting, then you can use your existing User ID and Password for Login.
 - v. If you are logging for the first time, please enter the user ID and Password sent to you.
 - vi. If you are logging in for the first time, Password Change Menu appears. Change the Password of your choice with minimum 8 digits / characters or a combination thereof. Please note the new Password for all the future e-voting cycles offered on NSDL e-voting Platform. It is strongly recommended not to share your Password with any other person and take utmost care to keep your Password confidential.
 - vii. Home page of "e-voting" opens. Click on e-voting: Active Voting Cycles.
 - viii. Select EVEN (E-Voting Event Number) of Dr.Agarwal's Eye Hospital. Once you enter the number, the "Cast Vote" Page will open. Now you are ready for e-voting.
 - ix. Cast your vote by selecting appropriate option and click "Submit" and also click "Confirm" when prompted.
 - x. Upon confirmation, the message "vote cast successfully" will be displayed.
 - xi. Kindly note that vote once cast cannot be modified,
 - xii. Institutional members (i.e. members other than individuals, HUF, NRIs, etc.) are required to send scanned copy (PDF/JPG format) of the relevant board resolution/ authority letter, etc. together with the attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through email at bhansalifcs@gmail.com with a copy marked to evoting@nsdl.co.in.
- B In case a Member receives physical copy of the Notice of AGM (for members whose e-mail IDs are not registered with the Company/ Depository Participant (s) or requesting physical copy)
- (i) Initial Password is provided as below/ at the bottom of the Attendance Slip for the AGM.

EVEN (E-Voting Event Number)	USER ID	PASSWORD/PIN

- (ii) Please follow all steps from "Sl.No. ii to Sl No. xii" above, to caste vote.

3. In case of any queries you may refer the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the "Downloads" section of <https://www.evoting.nsdl.com> or contact NSDL by email at evoting@nsdl.co.in.
4. The e-voting period commences on 2nd September, 2014 (9:00 a.m. IST) and ends on 4th September, 2014 (6:00 p.m. IST). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 8th August, 2014, may cast their vote electronically. The e-voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
5. Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 8th August, 2014, and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
6. Mr. N.K Bhansali Practicing Company Secretary (Membership No. FCS 3942), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
7. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor of or against, if any; forthwith to the Chairman of the Company.
8. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.dragarwal.com and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Bombay Stock Exchange Limited.

For and on behalf of the Board

Sd/-

Place: Chennai
Date: 02.07.2014

Dr.Amar Agarwal
Chairman Cum Managing Director

ANNEXURE TO NOTICE**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:****Item: No. 6**

Mr. Sanjay Anand is a Non-Executive (Independent Director) of the Company. He joined the Board of Directors in January 2009. Mr. Sanjay Anand retires by rotation at the ensuing AGM under the provisions of the erstwhile Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Sanjay Anand being eligible and seeking re-appointment, is proposed to be appointed as an Independent Director for term of five years.

The Company received notice in writing under the provisions of Section 160 of the Companies Act, 2013 from a member along with a deposit of Rupees One Lakh proposing the candidature of Mr. Sanjay Anand for the office of Independent Director to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mr. Sanjay Anand consent in writing to act as director and intimation to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 along with a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mr. Sanjay Anand as an Independent Director of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr. Sanjay Anand, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and he is independent of the Management. A copy of the draft letter for the appointment of Mr. Sanjay Anand as an Independent Director setting out terms and conditions is available for inspection without any fee by the members at the Company's Registered Office during normal business hours on working days up to the date of the AGM.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Sanjay Anand as an Independent Director. He holds 12,603 Equity Shares in the Company.

The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours. It shall also be posted on the company's website. No Director, Key Managerial Personnel or their relatives, except Mr. Sanjay Anand, being an appointee, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 6 for the approval of the members.

Item Nos. 7 & 8

Earlier, the Members had, by way of an Ordinary Resolution and in pursuance of the provisions of Section 293 (1) (a) and 293 (1) (d) of the Companies Act, 1956, approved the borrowing of monies on behalf of the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) and create security for such borrowings in excess of the aggregate of the

paid-up capital of the Company and its free reserves, subject to the total outstanding amount so borrowed not exceeding a sum of Rupees One Hundred Crore at any point of time.

The Directors commend the Resolutions at Item Nos.7 and 8 of the accompanying Notice for the approval of the Members of the Company. Under Section 180 of the Act, the above powers of the Board are required to be exercised only with the consent of the company by a Special Resolution.

Hence, the approval of the Members for the said borrowings is therefore now being sought, by way of a Special Resolutions, pursuant to Section 180 of the Act respectively.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of the above said Resolutions except as members of the company.

ITEM: 9

It is proposed that the Board of Directors of the Company be authorized to contribute an amount not exceeding Rs. 5 Crore in any financial year for charitable and research purposes for either directly or through any non-profit organizations/funds or in any other way considered appropriate.

As per Section 181 of the Companies Act, 2013, the Board may contribute to bonafide charitable and other funds provided that prior permission of the Company in a general meeting is obtained for making contributions the aggregate of which, in any financial year, exceeds five percent of the average net profits of the Company for the three immediately preceding financial years.

Subject to approval of members of the Company, the Board may like to contribute to bonafide charitable and other funds during the financial year 2014-15 and in subsequent financial years, an amount exceeding five per cent of the average net profits of the Company for the three immediately preceding financial years, subject to the maximum of Rs. 5 Crore in a financial year. Accordingly, it is proposed to obtain members' approval by way of an Ordinary Resolution for contributing upto Rs. 5 Crore in any financial year to bonafide charitable and other funds.

Your Directors commended the resolution for approval as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel or their relatives are concerned or interested in this item of business.

Item No. 10 & 11

The Company in the ordinary course of its business has entered into leasing contracts with Orbit International and Dr.Agarwal's Eye Institute. The company's registered office and main hospital is located at the said premises belonging to Dr.Agarwal's Eye Institute. Retina Foundation is operated from the premises belonging to M/s Orbit International. Both are landmarks for the operations of the company for which the company had given a refundable rental advance of Rs. 4.17 Crore and Rs. 4.25 Crore respectively. The current period of lease is for 9 years and due for renewal on 1st May 2019. The other material terms of the contract or arrangement is as proposed in the concerned resolution.

Also the company has entered in to agreement with M/s Orbit Health Care Services Ltd, Mauritius, and Dr.Agarwal's Health care Limited for rendering / availing of services to the tune of Rs. 200 lacs and

Rs. 300 lacs respectively per annum which is subject to further renewals / termination as the party/ies may decide from time to time as per agreement.

As a good corporate governance practice and being related party transactions, the board seeks approval of the shareholders through special resolution.

These transactions would be carried out as part of the business requirements of the Company and are ensured to be on arm's length basis. Further, the Company is also subject to transfer pricing norms prevalent in the country

Except Dr. Amar Agarwal, Dr. (Mrs.) Athiya Agarwal, Dr.Adil Agarwal & Dr.Anosh Agarwal, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the Resolution.

For and on behalf of the Board

Sd/-

Dr.Amar Agarwal
Chairman Cum Managing Director

Place: Chennai

Date: 02.07.2014

Appointment of Directors:

Disclosure required under Clause 49 of the Listing Agreement in respect of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting of the Company.

Name of Director	Expertise in Specific Functional Areas	Qualifications	Directorship in Other Public Companies	No. shares held in the Equity Capital of the Company	Relationship with other Directors	Chairman/ Member of Committee in other Public Limited Companies
Dr. Adil Agarwal	Ophthalmology	MBBS, M.S. Ophthalmology, MBA Finance (Stanford)	NIL	Nil	He is related to Dr. Amar Agarwal, Dr. Athiya Agarwal & Dr. Anosh Agarwal	NIL
Dr. Anosh Agarwal	Ophthalmology	MBBS, M.S. Ophthalmology, MBA Finance (Harvard)	Additional Director in Dr. Agarwal's Health Care Ltd and Senses Pharmaceuticals Limited	Nil	He is related to Dr. Amar Agarwal, Dr. Athiya Agarwal & Dr. Adil Agarwal	Member-Remuneration Committee in Dr. Agarwal's Health Care Limited
Mr. Sanjay Anand	Business Management & Accountancy	B.Com., ACA	NIL	12,603	NA	NIL

DIRECTORS' REPORT

Your Directors have the pleasure in presenting the **TWENTIETH ANNUAL REPORT** and that of the Auditors Report together with the audited Balance Sheet as at 31st March 2014 and the Profit and Loss account for the year ended on that date.

PERFORMANCE

The financial results for the year ended 31st March 2014 are as under:

	31.03.2014	Rs. (In Lakhs) 31.03.2013
Income	11593.94	10972.95
Profits before depreciation and interest	1322.06	1332.84
Depreciation	604.88	535.21
Interest	345.48	354.22
Profit before Tax	371.70	443.42
Provision for taxation	128.63	129.47
Profit After Tax	243.07	313.96
Balance of Profit brought forward	635.70	392.50
Profit available for appropriations	878.78	706.46
Appropriations:		
Dividend (inclusive of dividend tax)	69.21	62.76
Transfer to General Reserve	8.00	8.00
Balance carried forward to Balance Sheet	801.57	635.70

COURSE OF BUSINESS AND OUTLOOK

During the year under review, the company had achieved a turnover of Rs. 115.94 Crore as compared to Rs. 109.73 crore in the last year. The profit before tax was Rs. 3.71 Crore as compared to Rs. 4.43 Crore in the previous year. This should be considered in the backdrop of severe competition from new stand alone clinics. Your Company enjoys a loyal clientele and the company is taking various steps to increase this base by improving various additional facilities in the Hospital. The Company has improved on all technological fields. The Directors are confident that the operations in the current year will be much better.

FIXED DEPOSIT:

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

DIVIDEND

The Directors recommend a dividend of 12% exclusive of dividend tax for the financial year ended 31st March 2014.

DIRECTORS

Dr. Adil Agarwal and Dr. Anosh Agarwal 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. 140162/- being unclaimed final dividend for the year 2005-06.

AUDITORS

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

AUDITOR'S REPORT:

The report of Auditors and Notes forming part of Accounts are attached along with the Annual Report. There is no qualification in the Audit Report and Notes are self-explanatory.

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:

1. Installations of Capacitors etc. are being done on an on-going basis to improve power factor so as to reduce Consumption.
2. The Company is exploring new technologies and improving the existing technologies applicable to the Hospital Business
3. 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. 23.36 Lakhs towards surgeries and management consultancy charges.

Foreign Outgo : NIL

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- SERVICE TO COMMUNITY

Legacy is continued in contributing back to society in many ways. Various programs were conducted for creating awareness on eye care, utilizing occasions like World Diabetes Day, World Sight Day as medium to convey the message. Over 20,000 students were screened for vision disorder in free eye screening camps conducted in various public schools. Approximately 750 free eye screening camps were conducted in rural areas to help those who have limited access to eye care. The scientific congress organized for different medical fraternity highlighted the advancement in Ophthalmology propelled the awareness across all segments of society. Working with people... for people... because Dr.Agarwal's believes in...Vision is Life.

VOLUNTARY DELISTING OF SHARES FROM MADRAS STOCK EXCHANGE

The Madras Stock Exchange Ltd, vide their letter dated 3rd February 2014 had approved for voluntary delisting of equity shares of your Company from the Exchange based on our application.

COMPLIANCE OF MINIMUM PUBLIC SHAREHOLDING

At the Extra Ordinary General Meeting held on June 25, 2013, members approved the Employee Stock Purchase Scheme (ESPS 2013) for employees. At the EGM, members approved the issue of 2,00,000 Equity Shares of Rs. 10/- each to the employees at a premium of Rs.66 per share and in accordance with SEBI approval letter ref.CFD/PK//AT/OW/11408/2013 dated May 14, 2013. The Company further received trading approvals from BSE vide Notice No. 2013022-18 dated 22nd October, 2013 and Madras Stock Exchange vide their letter MSE/LD/PSK/738/306/13 dated 23rd October, 2013. The Company also received confirmation from NSDL and CDSL. Consequence to the completion of ESPS, the Company had complied with the Minimum Public Shareholding requirements under Clause 40A of the Listing Agreement.

CORPORATE GOVERNANCE:

Pursuant to clause 49 of the Listing Agreement, a report of compliance of corporate governance as on 31/03/2014 duly certified by the auditors of the company is annexed.

ACKNOWLEDGEMENTS:

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

For and on behalf of the Board

Sd/-

Place: Chennai

Date : 27.05.2014

Dr.Amar Agarwal
Chairman Cum Managing Director

Annexure to the Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS

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

II. Performance Review

During the year, the company had achieved a turnover of Rs. 115.94 Crore as compared to Rs. 109.73 Crore in last year and made a profit of Rs.2.43 Crore as compared to Rs. 3.14 Crore 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 new tie ups with insurance entities 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.

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 2013-14	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)	4	YES	2	NIL
2. Dr. Athiya Agarwal	Whole Time Director	Executive & Non-independent (Promoter)	4	YES	3	NIL
3. Dr. Adil Agarwal	Director	Executive & Non-independent (Promoter)	2	NO	NIL	NIL
4. Dr. Anosh Agarwal	Director	Executive & Non-independent (Promoter)	3	YES	2	NIL
5. Dr. Jasvinder Singh Saroya	Independent Director	Non-Executive Independent	NIL	NO	NIL	NIL
6. Mr. Prabhat Toshniwal	Independent Director	Non Executive Independent	NIL	NO	NIL	NIL
7. Mr Sanjay Anand	Independent Director	Non Executive Independent	4	YES	NIL	NIL
8. Mr.M.R.G Apparao	Independent Director	Non Executive Independent	4	YES	1	NIL

(b) Meetings

During the year 2013-14, 6 (Six) Board Meetings were held at # 19, Cathedral Road, Chennai-600 086 on the following dates:

27/05/2013, 01/06/2013, 13/08/2013 27/08/2013, 05/11/2013, and 04/02/2014

(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) Information required to be disclosed under SEBI (ESOP & ESPS) Guidelines, 1999

Information required to be disclosed under SEBI (ESOP & ESPS) Guidelines 1999 are as follows:

Details of the number of shares issued in ESPS: 2,00,000 equity shares

The price at which such shares are issued: Rs. 76/- per share [5% discount on the closing price (as on 23.05.2013), i.e prior to the date of passing the Board Resolution] arrived in accordance to the SEBI Guidelines and Applicable Laws.

Employee wise details of shares issued to

(i) Senior Managerial Personnel:

Name of the employee	Equity shares issued
Suresh Velayudham	10000
S.Ramanujam	10000
Harish Ramanan	10000
Rajaram KM	10000
K Samy	10000
MVS Mahesh	9400
RY Bharath Kanth Reddy	500

(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more equity shares issued of option granted during that year (ESPS) :

There is no other person who is in receipt of the equity shares that has been issued/allotted in any one year amounting to 5% or more equity shares issued/allotted during that year except the following:

Director/Doctor's Name	Equity shares issued
Dr. Neera Nilesh Kanjani	10000
S. Rajagopalan	10000
Sanjay Dharambir Anand	10000
B. Sudha	10000
Dr. Smita Narasimhan	10000

Identified employees who were issued shares during any one year equal to or exceeding 1% of the issued capital of the company at the time of issuance - NIL.

Diluted EPS pursuant to issuance of shares under ESPS – 5.25

Consideration received against the issuance of shares – Rs. 1,52,00,000 (Rupees One Crore and Fifty Two Lakhs only)

The Company has received a certificate from the Statutory Auditors of the Company that ESPS 2013 Scheme has been implemented in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, and the resolution passed by the shareholders of the Company on June 25 2013.

(f) 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. Constitution

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

Mr. M.R.G Apparao - Chairman

Mr. Sanjay Anand - Member

Mr.Prabhat Toshniwal - Member

II. 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.

III. 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.

IV. Meetings and Attendance

Audit committee meeting held during the year and attendance details.

Date of Meeting	No. of members present
May 27, 2013	2
Aug 13, 2013	2
November 5, 2013	2
February 4, 2014	2

3. NOMINATION & REMUNERATION COMMITTEE

The Company has constituted 'Nomination and Remuneration Committee', meeting the requirements of Clause 49 of the Listing Agreement and the Companies Act, 2013.

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 Nomination & 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 2013-14, one meeting of the Nomination & Remuneration Committee was held on 27th May 2013.

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. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board has constituted Stakeholders Relationship Committee in accordance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Stakeholders Relationship 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 Committee. As on 31-03-2014 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 2013-14 the Committee met on: 27th May 2013, 13th August 2013, 5th November 2013 and 4th February 2014

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 2014, 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
2010-11	Registered Office	23-08-2011	11.00 A.M	Nil
2011-12	Registered Office	21.08.2012	11.00 A.M	Nil
2012-13	Registered Office	13.08.2013	10.00 A.M	Four*

*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, the company is providing e-voting facility as required under the law.

6. DISCLOSURES

I. Related Party Transactions

There has been no materially significant related party transaction 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 2013-14 (Rs.)	Performance Incentive	Stock Options (ESPS)
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	12,00,000	NIL	NIL
4	Dr. Anosh Agarwal	Whole Time Director	33,00,000	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	YES

7. 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, 2014.

8. COMMUNICATION APPROACH

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

9. GENERAL SHAREHOLDER INFORMATION

I. 20th Annual General Meeting:

The 20th Annual General Meeting will be held on 9th September, 2014 at 19, Cathedral Road, Chennai – 600 086.

II. Tentative Financial Reporting Calendar

Financial Reporting 2014-15	From	To	Date
1st Quarter	April	June	On or before August 14, 2014
2nd Quarter	July	September	On or before November 14, 2014
3rd Quarter	October	December	On or before February 14, 2015
4th Quarter	January	March	On or before May 30, 2015
Annual General Meeting	April 2014	March 2015	On or before September 30, 2015

III. Book Closure

The date of closure is from 02-09-2014 to 09-09-2014 (inclusive of both days).

IV. Stock Exchange Listing

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

* The Madras Stock Exchange Ltd, vide letter dated 3rd February 2014 approved our application for voluntary delisting of equity shares of your Company from the Exchange.

V. Market price data

High and low prices of Equity shares in the financial year 2013-14 were as follows:

Month	Bombay Stock Exchange	
	High (Rs.)	Low (Rs.)
April 2013	84.95	65
May 2013	89.95	70
June 2013	85	74.15
July 2013	78	66
August 2013	68	54
September 2013	62.5	54
October 2013	57.1	50
November 2013	66.75	55
December 2013	76.1	66.45
January 2014	82.95	72.4
February 2014	84	62.05
March 2014	75	62

There was no trading of the Company's shares on the Madras Stock Exchange (MSE) during the year 2013-14 and voluntary delisting approval has been obtained from MSE.

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: 044- 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.140162/- representing unpaid dividends for the year 2005-06 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 1, 2014	6	4000
Number of 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, 2014	Nil	Nil

The voting rights of the shares outstanding in the Suspense Account as on March 31, 2014 shall remain frozen till the rightful owner of such shares claims the shares.

IX. Distribution of shareholding

As on 31st March, 2014

Category		Number of Shares held	% of holding
1.	Promoters		
	- Indian	35,20,208	74.90
	- 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	54,839	1.17
	- Indian Public	1,09,5181	23.30
	- NRIs / OCBs	22,220	0.47
	- Other than specified above Clearing Members	7,544	0.17
	Total	47,00,000	100
	Paid-up Shares	47,00,000	100

X. DISTRIBUTION SCHEDULE AS ON 31/03/2014

Sl. No.	Category of Shares	Holders		Shares	
		Nos.	%	Nos.	%
1	1 - 500	2466	89.58	299243	6.37
2	501 - 1000	124	4.50	99297	2.11
3	1001 - 2000	68	2.47	104928	2.23
4	2001 - 3000	31	1.13	76498	1.63
5	3001 - 4000	11	0.40	39420	0.84
6	4001 - 5000	18	0.65	86364	1.84
7	5001 - 10000	16	0.58	126994	2.70
8	10001 and above	19	0.69	3867256	82.28
	TOTAL	2753	100.00	4700000	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. Registered Office Location

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

XIII. Dematerialisation of Shares and Liquidity

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

Approximately, 4259302 being 90.62% shares have already been dematerialized.

For and on behalf of the Board

Sd/-

Place: Chennai
Date: 27.05.2014

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/-

Dr. Amar Agarwal

Chairman Cum Managing Director

Place: Chennai

Date: 27.05.2014

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of the conditions of Corporate Governance by **Dr. Agarwal's Eye Hospital Ltd**, for the year ended 31st March 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India, with the relevant records and documents maintained by the Company and furnished to us and the report on Corporate Governance as approved by the Board of Directors.

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.

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.

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 Accounts

Membership No. 018533

Place: Chennai

Date: 27.05.2014

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

To

The Board of Directors,
Dr. Agarwal's Eye Hospital 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 31/03/2014 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: 27.05.2014

N.K.BHANSALI & CO.,
Company Secretaries,
963/15, Poonamallee High Road,

Tel/Fax +91 44 4356 0004
Mobile +91 98400 84744
bhansalifcs@gmail.com

CRESECENT COURT”
Chennai-600084

COMPLIANCE CERTIFICATE

To
The Members
DR. AGARWAL'S EYE HOSPITAL LIMITED
Chennai
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 thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2014. 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 6 times on 27/05/2013, 01/06/2013, 13/08/2013, 27/08/2013, 05/11/2013, 04/02/2014 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 on 31/03/2013 was held on 13/08/2013 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. One extra ordinary meeting held on 25/06/2013 during the financial year under scrutiny 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.
8. The company has not advanced 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 lodgment thereof for transfer/transmission .
 - ii. deposited the amount of dividend declared in a separate Bank Account on 17/08/2013 which is within five days from the date of declaration of such dividend;
 - iii. paid/posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the Company with Corporation Bank on 11/09/2013
 - iv. Transferred the amounts in unpaid dividend account for the year financial year 2006 which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund;
 - v. Duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted and there was no change in the board during the year under review.
15. The appointment of Managing Director/Whole-time Director/Manager has been made in compliance with the provisions of Section 269 read with Schedule XIII to the act.
16. No sole-selling agent was appointed during the period under review.
17. The Company did not seek any approval of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of section 299 of the Act and the rules made there under.
19. The company has issued 2, 00,000 Equity shares during the financial year under review and complied with the provisions of the Act.
20. The company has not bought back any shares during the financial year ending under review.
21. The company has no preference shares/debentures and hence question of redemption of does not 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 31/03/2014 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 the fines and penalties or any other punishment imposed on the company during the financial year.
32. The company has not received any amount as security from its employees during the year under certification as per provisions of section 417(1) of the Act.
33. The company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

Place: Chennai
Date: 27/05/2014

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

ANNEXURE A

(Annexure to the compliance certificate referred to in paragraph 1 of 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 Investments u/s 372A

ANNEXURE B

(Annexure to the compliance certificate referred to in paragraph 2 of 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, 2014.

SL.NO	DOCUMENT FILED	U/S OF COMPANIES ACT, 1956	FILING DATE
1	FORM 23	Sec. 192	24/07/2013
2	Form 25C	Sec.269	29/08/2013
3	Form 25C	Sec.269	29/08/2013
4	Form 23	Sec. 192	30/08/2013
5	Form 2	Sec.75	04/09/2013
6	Form 66	Sec.383A	11/09/2013
7	Form 23AC & Form ACA	Sec.220	12/09/2013
8	Form 1 Inv	Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001]	24/09/2013
9	Form 25C	Sec.269	01/10/2013
10	Form 25C	Sec.269	01/10/2013
11	Form 20B	Sec.159	12/10/2013
12	Form 5 Inv	Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules	19/03/2014
13	Form 8	Sec. 125	31/03/2014

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

(N.K.BHANSALI)

Proprietor

C.P.No : 2321 FCS No. 3942

Place: Chennai

Date: 27/05 /2014

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 2014, 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 2014,
- 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. *Attention is drawn to Note No 39 to the financial statements that the Company is in the process of obtaining the balance confirmation and reconciliation of some overdue amounts of Trade Receivables and Advances given.*
- v. 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.
- vi. On the basis of written representations received from the directors, as on 31st March 2014, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2014 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.,
(ICAI Reg No 000679S)

K.J. Dandeker
Partner

Date : May 27, 2014

Place: Chennai

Chartered Accountants
Membership No 018533

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**(Referred to in our Report of even date)**

- i.**
 - 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.
- ii.**
 - 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.
- iii.**
 - a. 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.
 - b. The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- iv.** 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.
- v.**
 - 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.
- vi.** 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.
- vii.** The Company's Internal Audit System is commensurate with the size of the company and nature of its business.
- viii.** 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.

- ix.** a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, and other statutory dues.
- b) According to the information and explanation given to us, no undisputed amounts payable in respect of Provident Fund, Employee's State Insurance, Income Tax, Wealth Tax, Sales Tax were in arrears as on 31.03.2014 for a period of more than six months from the date they became payable.
- c) Details of dues of Sales Tax and Income Tax which have not been deposited as on 31.03.2014 on account of disputes are given below:

Particulars	Period to which the amount relates	Forum where the dispute is pending	Amount (Rs. in Lakhs)
Income Tax	A.Y. 2008-09	High Court	16.28
	A.Y. 2010-11	Deputy Commissioner Income Tax	35.54
	A.Y. 2011-12	CIT Appeals	31.63
Sales Tax	F.Y. 2010-11	Asst. Commissioner – Jaipur Sales Tax Dept.	6.78
	F.Y. 2011-12		6.08
	F.Y. 2012-13		17.72

- x.** 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.
- xi.** The company has not defaulted in repayment of dues to a financial institution or bank.
- xii.** 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.
- xiii.** 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
- xiv.** The Company is not dealing or trading in shares, securities, debentures or other investments and therefore Paragraph 4(xiv) of the order is not applicable
- xv.** 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.
- xvi.** The term loans were applied for the purpose for which the loans were obtained.
- xvii.** The funds raised by the Company on short-term basis have not been used for long-term investment and vice versa.

- xviii.** 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.
- xix.** During the year covered by our Audit Report, the Company has not issued any debentures and therefore paragraph 4(xix) of the said Order is not applicable.
- xx.** 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.
- xxi.** Based on our examination and the information provided to us by the Company, no fraud on or by the Company has been noticed or reported during the year.

For M.K.Dandeker & Co.,
(ICAI Reg No 000679S)

K.J.Dandeker
Partner

Date : May 27, 2014
Place: Chennai

Chartered Accountants
Membership No 018533

BALANCE SHEET AS AT 31.03.2014

Particulars	Note No.	31 March, 2014 Rs. In Lakhs	31 March, 2013 Rs. In Lakhs
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	470.00	450.00
(b) Reserves and surplus	2	1,427.57	1,113.70
2 Non-current liabilities			
(a) Long-term borrowings	3	1,196.75	1,235.26
(b) Deferred tax liabilities (net)		31.91	31.92
(c) Other long-term liabilities	4	54.16	52.75
3 Current liabilities			
(a) Short-term borrowings	5	896.77	884.16
(b) Trade payables	6	1,062.22	1,119.58
(c) Other current liabilities	7	1,387.01	1,341.58
(d) Short-term provisions	8	137.44	111.52
TOTAL		6,663.83	6,340.47
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9.A	2,475.79	2,162.29
(ii) Intangible assets	9.B	73.91	114.67
		2,549.70	2,276.96
(b) Non-current investments	10	3.19	3.19
(c) Long-term loans and advances	11	1,846.73	1,636.77
(d) Other non-current assets	12	153.61	230.76
		4,553.23	4,147.68
2 Current assets			
(a) Inventories	13	780.18	790.32
(b) Trade receivables	14	421.95	398.96
(c) Cash and Cash Equivalents	15	338.25	581.26
(d) Short-term loans and advances	16	281.04	284.33
(e) Other current assets	17	289.18	137.92
		2,110.60	2,192.79
Total		6,663.83	6,340.47
Notes forming part of the financial statements	1-45		

As per our report attached
For M.K. DANDEKER & CO.,
(FIRM REGN. NO. 000679S)
Sd/-

K.J. DANDEKER
PARTNER
CHARTERED ACCOUNTANTS
MEMBERSHIP No.018533
Place : Chennai
Date : 27/05/2014

For and on behalf of the Board of Directors

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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2014

Particulars	Note No.	31 March, 2014 Rs. In Lakhs	31 March, 2013 Rs. In Lakhs
Revenue			
1 Revenue from operations	18	11,265.24	10,851.73
2 Other income	19	328.70	121.22
Total Revenue		11,593.94	10,972.95
3 Expenses			
(a) Hospital Operative Expenses	20	2,121.31	1,882.86
(b) Purchases of stock-in-trade	21	2,950.60	3,084.57
(c) Changes in inventories of finished goods and stock-in-trade	22	10.14	(118.37)
(d) Employee benefits expenses	23	2,341.17	2,206.36
(e) Finance cost	24	345.48	354.22
(f) Depreciation and Amortisation expenses	9	604.88	535.21
(g) Other Expenses	25	2,848.66	2,584.68
Total Expenses		11,222.24	10,529.53
4 Profit / (Loss) Before Tax	A	371.70	443.42
5 Tax expenses:			
(a) Current tax expense for current year		127.50	129.50
(b) Current tax expense relating to prior years		-	-1.21
(c) Wealth Tax		1.13	1.17
Total	B	128.63	129.46
6 Profit / (Loss) for the Year	A-B	243.07	313.96
7 Earnings per share (of 10/- each):			
(a) Basic Continuing operations		5.25	6.98
(b) Diluted Continuing operations		5.25	6.98
Face value per share (in Rs)		10.00	10.00
Notes forming part of the financial statements	1-45		

As per our report attached
For M.K. DANDEKER & CO.,
(FIRM REGN. NO. 000679S)
Sd/-
K.J. DANDEKER
PARTNER
CHARTERED ACCOUNTANTS
MEMBERSHIP No.018533
Place : Chennai
Date : 27/05/2014

For and on behalf of the Board of Directors

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

CASH FLOW STATEMENT FOR YEAR ENDED 31.03.2014

Description	31 March, 2014 Rs. In Lakhs	31 March, 2013 Rs. In Lakhs
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	371.70	443.42
Adjustments for :		
Depreciation	604.88	535.21
Interest expenses	345.91	257.19
Impairment of Tangible Assets	1.94	2.38
Interest / Dividend	(1.54)	(1.53)
Profit/ (Loss) on Sale of Fixed Asset	23.52	(0.86)
ESOP Expenses	8.00	—
	982.71	792.39
Operating Profit before Working Capital Changes	1,354.41	1,235.81
Adjustments of Working Capital Changes:		
Increase/(Decrease) in Trade Payables	(37.32)	79.85
Increase/(Decrease) in Other Liabilities	86.32	221.72
Increase/ (Decrease) in Provisions	22.70	(11.64)
(Increase)/Decrease in Loan & Advances	(21.29)	(316.84)
(Increase)/Decrease in Trade Receivables	(24.22)	(152.34)
(Increase)/Decrease in Other Receivables	(75.31)	(0.06)
(Increase)/Decrease in Other Current Assets	(124.65)	(6.28)
(Increase)/Decrease in Inventories	10.14	(65.30)
	(163.64)	(250.89)
Cash Generated from operations	1,190.77	984.92
Direct Tax - Refund (net off Payment)	(1.03)	111.63
Net Changes in Working Capital Cash generated	1,189.74	1,096.55
Cashflow before extraordinary items	1,189.74	1,096.55
Net Cash from Operating Activities - A	1,189.74	1,096.55
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,068.30)	(569.83)
Dividend Received	0.32	—
Capital Advance	(60.74)	(83.84)
Investment in Bank Deposit	(23.25)	(4.00)
Interest Received	7.16	—
Sale of Fixed Assets	3.28	25.04
Net Cash used in Investing Activities - B	(1,141.52)	(632.63)

Description	31 March, 2014 Rs. In Lakhs	31 March, 2013 Rs. In Lakhs
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from Issuance of Share Capital	20.00	-
Proceed from Issuance of Share Premium	132.00	-
Dividends & Dividend Tax	(67.82)	(0.05)
Proceeds from Long Term Borrowings	672.24	383.91
Interest paid	(340.96)	(271.75)
Proceeds from Short Term Borrowings (Net)	12.61	128.00
Unpaid Dividend transferred to Investors' Education & Protection Fund	(1.40)	(1.82)
Dividend paid, not claimed and received back	2.60	3.17
Repayment of Long Term Borrowings	(740.25)	(528.99)
Net Cash inflow from Financing Activities - C	(310.98)	(287.53)
Net Increase in Cash and Cash Equivalents (A+B+C)	(262.76)	176.39
Cash and Cash Equivalents as at 31-03-2013	572.76	396.37
Cash and Cash Equivalents as at 31-03-2014	310.00	572.76
Increase in Cash and Cash Equivalents	(262.76)	176.39

As per our report attached

For M.K.DANDEKER & CO.,

(FIRM REGN. NO. 000679S)

Sd/-

K.J.DANDEKER

PARTNER

CHARTERED ACCOUNTANTS

MEMBERSHIP No.018533

Place : Chennai

Date : 27/05/2014

For and on behalf of the Board of Directors

Sd/-

Dr.Athiya Agarwal

Director

Sd/-

Dr.Amar Agarwal

Chairman &

Managing Director

Notes forming part of the financial statements

Note 1 - Share Capital

Particulars	31 March, 2014		31 March, 2013	
	Number of shares	Rs. In Lakhs	Number of shares	Rs. In Lakhs
(a) Authorised 200,00,000 Equity shares of Rs.10/- each	20,000,000	20,000.00	20,000,000	20,000.00
(b) Issued 47,00,000 Equity shares of Rs.10/- each with voting rights	4,700,000	470.00	4,500,000	450.00
(c) Subscribed and fully paid up 47,00,000 Equity shares of Rs.10/- each with voting rights	4,700,000	470.00	4,500,000	450.00
Total	4,700,000	470.00	4,500,000	450.00

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

Particulars	Opening Balance	Fresh issue / Bonus	ESOP / ESPS Buyback/ other Changes	Closing Balance
Equity shares with voting rights				
Year ended 31 March, 2014				
- Number of shares	4,500,000	-	200,000	4,700,000
- Amount (Rs.10/-)	450.00	-	20.00	470.00
Year ended 31 March, 2013				
- Number of shares	4,500,000	-	-	4,500,000
- Amount (Rs.10/-)	450.00	-	-	450.00

(ii) Terms / rights attached to equity shares

The Company has only one class of equity shares having 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 2014, the amount of per share dividend recognized as distributions to equity shareholders was Rs. 1.20 (31 March 2013 : Rs. 1.20)

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 Healthcare Limited (Holding Company)

Class of shares	31 March, 2014		31 March, 2013	
	Number of shares held	Rs. In Lakhs	Number of shares held	Rs. In Lakhs
Equity shares of Rs. 10 each	3,372,408	337.24	3,372,408	337.24

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, 2014		31 March, 2013	
	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	71.75	3,372,408	74.94

Note 2 Reserves and Surplus

Particulars	31 March, 2014 Rs. In Lakhs	31 March, 2013 Rs. In Lakhs
(a) Securities Premium Account		
Opening balance	411.00	411.00
Add : Premium on shares issued during the year	140.00	-
Closing balance	551.00	411.00
(b) General Reserve		
Opening balance	67.00	59.00
Add: Transferred from surplus in Statement of Profit and Loss	8.00	8.00
Closing balance	75.00	67.00
(c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	635.70	392.50
Add: Profit / (Loss) for the year	243.07	313.96
Less : Dividends proposed to be distributed to equity shareholders	56.40	54.00
Tax on dividend	9.60	8.76
Dividend paid to ESPS shareholders	3.24	-
Amount Transferred to General reserve	8.00	8.00
Closing balance	801.57	635.70
Total	1,427.57	1,113.70

Note 3 Long-Term Borrowings

Particulars	Terms of repayment	31 March, 2014 Rs. In Lakhs	31 March, 2013 Rs. In Lakhs
<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	-	37.42
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	1,099.00	1,187.75
<u>Vehicle Loans from banks:</u>			
c) Vehicle Loan - HDFC (Secured by hypothecation of Vehicles)		40.34	-
d) Vehicle Loan - Kotak Mahindra Bank (Secured by hypothecation of Vehicle)	3 Years	57.41	10.09
Total - Term loans from banks		1,196.75	1,235.26

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

Notes forming part of the financial statements (Contd.)**Note 1 :**

Terms of repayment are as follows :

Term Loan II - Rs. 4955 - 6 years, Term Loan IV - Rs. 2195 - 5 years, Term Loan VI - Rs. 13794 - 6 years, Term Loan VII - Rs. 73668 - 6 years

Note 4 Other Long-Term Liabilities

Particulars	31 March, 2014 Rs. In Lakhs	31 March, 2013 Rs. In Lakhs
(i) Trade Payables	51.30	31.27
(ii) Payables other than Trade Payables	2.86	21.48
Total	54.16	52.75

Note 5 Short-Term Borrowings

Particulars	31 March, 2014 Rs. In Lakhs	31 March, 2013 Rs. In Lakhs
a) Cash Credit - SBI (Hypothecation of all current Assets)	896.77	884.16
Total	896.77	884.16

The above Cash Credit from SBI have been guaranteed by the Corporate guarantee of Dr. Agarwal's Healthcare Limited (Holding Company)

Note 6 Trade Payables

Particulars	31 March, 2014 Rs. In Lakhs	31 March, 2013 Rs. In Lakhs
A) Trade Payables :		
(i) Due to Micro, Small & Medium Enterprises	0.86	0.42
(ii) Others	1,061.36	1,119.16
Total	1,062.22	1,119.58

Note 7 Other Current Liabilities

Particulars	31 March, 2014 Rs. In Lakhs	31 March, 2013 Rs. In Lakhs
a) Current maturities of long-term debt	692.34	720.98
b) Interest accrued and due on borrowings	18.68	13.73
c) Unpaid dividends	9.80	10.44
d) Outstanding Liabilities	528.27	428.72
e) Payables other than Trade Payables	33.08	49.64
f) Advances from customers	33.01	37.14
g) Statutory remittances (Contributions to PF and ESIC, VAT, Service Tax, etc.)	71.83	80.93
Total	1,387.01	1,341.58

Note 8 Short-Term Provisions

Particulars	31 March, 2014 Rs. In Lakhs	31 March, 2013 Rs. In Lakhs
(a) Provision for employee benefits:		
(i) Provision for bonus	48.16	48.76
(ii) Provision for gratuity	23.29	-
(b) Provision - Others:		
(i) Provision for proposed equity dividend	56.40	54.00
(ii) Provision for tax on proposed dividend	9.59	8.76
Total	137.44	111.52

Notes forming part of the financial statements (Contd.)

Note : 9 Fixed assets

Rs. In Lacs

Description	Gross block							Net block		
	Balance as at 1 April, 2013	Additions	Disposals/ Transfers	Acquisitions through business combinations	Reclassified as held for sale	Revaluation increase	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments	Balance as at 31 March, 2014
A. Tangible Assets										
(a) Surgicals Equipment	3,094.04	396.36	85.70	-	-	-	-	-	-	3,404.70
(b) Furniture and Fixtures	692.11	53.18	107.64	-	-	-	-	-	-	637.64
(c) Vehicles	389.89	208.80	66.98	-	-	-	-	-	-	531.71
(d) Electrical Fittings	1,218.18	203.13	119.28	-	-	-	-	-	-	1,302.03
(e) Computers	269.63	23.21	80.23	-	-	-	-	-	-	212.60
(e) Leasehold improvements	296.30	225.87	90.14	-	-	-	-	-	-	432.03
(f) Kitchen Equipments	6.34	6.39	6.34	-	-	-	-	-	-	6.39
Total	5,966.48	1,116.95	556.31	-	-	-	-	-	-	6,527.12
Previous year	5,636.15	897.01	566.68	-	-	-	-	-	-	5,966.48
B. Intangible Assets										
Goodwill	228.33	-	-	-	-	-	-	-	-	228.33
Total	228.33	-	-	-	-	-	-	-	-	228.33
Previous year	228.33	12.00	12.00	-	-	-	-	-	-	228.33
Description	Accumulated depreciation and Impairment							Net block		
	Balance as at 1 April, 2013	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, 2014	Balance as at 1 April, 2013	
A. Tangible Assets										
(a) Surgicals Equipment	2,077.44	233.19	0.05	-	1.94	-	-	2,312.51	1,092.20	1,016.60
(b) Furniture and Fixtures	410.20	57.62	75.37	-	-	-	-	392.46	245.19	281.90
(c) Vehicles	286.73	69.17	64.76	-	-	-	-	291.13	240.58	103.17
(d) Electrical Fittings	634.83	123.48	75.14	-	-	-	-	683.17	618.86	583.35
(d) Computers	205.90	30.30	73.48	-	-	-	-	162.71	49.89	81.73
(e) Leasehold improvements	188.66	49.18	30.12	-	-	-	-	207.72	224.31	107.64
(f) Kitchen Equipments	0.43	1.19	-	-	-	-	-	1.62	4.77	5.91
Total	3,804.19	564.12	318.93	-	1.94	-	-	4,051.32	2,475.80	2,180.29
Previous year	3,502.89	512.36	213.44	-	2.38	-	-	3,804.19	2,162.29	2,133.44
B. Intangible Assets										
Goodwill	113.66	40.76	-	-	-	-	-	154.42	73.91	114.67
Total	113.66	40.76	-	-	-	-	-	154.42	73.91	114.67
Previous year	90.81	22.85	-	-	-	-	-	113.66	114.67	137.52

Notes forming part of the financial statements (Contd.)

Note 10 Non-current investments

Particulars	31 March, 2014 Rs. In Lakhs	31 March, 2013 Rs. In Lakhs
(a) Investments at cost :		
Quoted non trade investment of polyspin Exports Ltd 31,900 Equity Shares of Rs.10 Each. Market Value - Rs. 21.20 per share - Rs. 6,76,280 (31/03/13 - Rs.16/- per share - Rs.5,10,400)	3.19	3.19
Total	3.19	3.19

Note 11 Long-term loans and advances

Particulars	31 March, 2014 Rs. In Lakhs	31 March, 2013 Rs. In Lakhs
(a) Capital advances		
Unsecured, considered good	60.74	-
(b) Security deposits		
Unsecured, considered good	1,417.36	1,421.65
(c) Others		
(i) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.)	4.67	-
(ii) Advance Tax net of provision Unsecured, considered good	363.96	215.12
Total	1,846.73	1,636.77

Note 12 Other non-current assets

Particulars	31 March, 2014 Rs. In Lakhs	31 March, 2013 Rs. In Lakhs
(a) Trade Receivables		
Unsecured, considered good	148.02	146.78
(b) Other Receivables from related parties		
Unsecured, considered good	0.09	81.98
(c) Non current bank balances (unsecured, considered good)		
Term deposit with original maturity of more than 12 months	5.50	2.00
Total	153.61	230.76

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

Note 13 Inventories (At lower of cost and net realisable value)

Particulars	31 March, 2014 Rs. In Lakhs	31 March, 2013 Rs. In Lakhs
Traded Goods :		
Opticals	356.59	408.94
Pharmacy	71.21	100.78
IOL	177.28	155.02
Clinical	152.05	112.16
Lab	22.45	12.84
I - Café Stock	0.60	0.58
Total	780.18	790.32

Notes forming part of the financial statements (Contd.)

Note 14 Trade Receivables

Particulars	31 March, 2014 Rs. In Lakhs	31 March, 2013 Rs. In Lakhs
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment :		
Unsecured, considered good	81.94	94.99
Others		
Unsecured, considered good	340.01	303.97
Total	421.95	398.96

Note 15 Cash and Cash Equivalents

Particulars	31 March, 2014 Rs. In Lakhs	31 March, 2013 Rs. In Lakhs
(a) Cash on hand	41.08	40.31
(b) Balances with banks		
(i) In current accounts	94.12	330.13
(ii) In deposit accounts with original maturity of less than 3 months	110.00	191.88
(iii) In dividend accounts	9.80	10.44
Other Bank Balances		
Fixed deposit with original maturity of more than 3 months and less than 12 months	55.00	-
Term deposit with original maturity for more than 3 months and less than 12 months	23.25	2.00
Term deposit with original maturity for more than 12 months	5.00	6.50
Total	338.25	581.26

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, 2014 Rs. In Lakhs	31 March, 2013 Rs. In Lakhs
(a) Security Deposits		
Unsecured, considered good	-	2.62
(b) Advances Recoverable from others		
Unsecured, considered good	240.56	115.91
(c) Loans and advances to employees		
Unsecured, considered good	8.02	7.08
(d) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.)	32.46	158.72
Total	281.04	284.33

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

Particulars	31 March, 2014 Rs. In Lakhs	31 March, 2013 Rs. In Lakhs
(a) Other Receivables (Unsecured, considered good)		
(i) from related parties	273.00	97.95
(ii) from others	14.39	32.24
(b) Accruals : Interest accrued on deposits	1.79	7.73
Total	289.18	137.92

Note 18 : Revenue From Operations

Particulars	31 March, 2014 Rs. In Lakhs	31 March, 2013 Rs. In Lakhs
Sale of Products	3,329.08	3,261.99
Sale of Services	7,936.16	7,589.74
Total	11,265.24	10,851.73
<u>Traded Goods</u>		
Income from Supply of Medicines	945.58	905.95
Income from Opticals	2,322.57	2,330.97
Sale of Food Items	60.93	25.07
Total	3,329.08	3,261.99

Note 19 : Other Income

Particulars	31 March, 2014 Rs. In Lakhs	31 March, 2013 Rs. In Lakhs
Net gain on foreign currency transactions and translation (other than considered as finance cost)	-	1.16
Interest Income (TDS -Rs. 53,925/-)	1.22	14.03
Prior Period Income	4.68	3.05
Miscellaneous Income	47.14	5.62
Sponsorship Received	2.74	-
Discount Received	90.60	36.43
Sundry Creditors Written Back	8.66	15.96
Excess Provision Written Back	171.34	39.15
Bad Debts Recovered	2.32	5.82
Total	328.70	121.22

Note 20 : Hospital Operative Expenses

Particulars	31 March, 2014 Rs. In Lakhs	31 March, 2013 Rs. In Lakhs
Consultancy Charges	1,592.49	1,427.35
Discount Opticals & Inpatients	0.44	0.74
Electricity Charges	204.33	173.93
Hospital Maintenance	207.95	194.85

Notes forming part of the financial statements (Contd.)

Particulars	31 March, 2014 Rs. In Lakhs	31 March, 2013 Rs. In Lakhs
Computer & Consumables	24.68	23.07
Fees Paid	2.00	0.58
Gas Consumption	6.06	0.85
Insurance - Equipments	0.81	1.11
Optical Labour Charges	1.39	2.72
Security Charges	79.22	57.66
Food Cover & Carry Bags	0.87	-
Water Expenses	1.07	-
Total	2,121.31	1,882.86

Note 21 : Purchase of Stock - in - Trade

Particulars	31 March, 2014 Rs. In Lakhs	31 March, 2013 Rs. In Lakhs
Opticals	882.26	1,061.80
Pharmacy	704.08	627.01
IOL	851.61	773.65
Clinical	438.43	554.08
Lab	41.82	54.03
Food Items	32.40	14.00
Total	2,950.60	3,084.57

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

Particulars	31 March, 2014 Rs. In Lakhs	31 March, 2013 Rs. In Lakhs
<u>Inventories at the beginning of the year:</u>		
Opticals	408.94	400.04
Pharmacy	100.78	91.95
IOL	155.02	107.78
Clinical	112.16	72.19
Lab	12.84	-
Food Items	0.58	-
Total (A)	790.32	671.96
<u>Inventories at the end of the year:</u>		
Opticals	356.59	408.94
Pharmacy	71.21	100.78
IOL	177.28	155.02
Clinical	152.05	112.16
Lab	22.45	12.84
Food Items	0.60	0.59
Total (B)	780.20	790.33
Total (A-B)	10.14	(118.37)

Notes forming part of the financial statements (Contd.)**Note 23 : Employee Benefits Expenses**

Particulars	31 March, 2014 Rs. In Lakhs	31 March, 2013 Rs. In Lakhs
Salaries, Wages and Bonus	2,132.89	2,079.25
Keyman Insurance	4.55	5.11
Contributions to Provident and Other Funds	166.07	103.82
Staff Welfare	37.66	18.18
Total	2,341.17	2,206.36

Note 24 : Finance Cost

Particulars	31 March, 2014 Rs. In Lakhs	31 March, 2013 Rs. In Lakhs
Interest :		
On Term Loans	248.92	255.12
On Others	96.56	99.10
Total	345.48	354.22

Note 25 : Other Expenses

Particulars	31 March, 2014 Rs. In Lakhs	31 March, 2013 Rs. In Lakhs
Advertisement & Publicity	3.47	1.51
Entertainment Expenses	-	3.49
Books & Periodicals	1.14	0.80
Brokerage Expenses	0.75	0.35
Directors Remuneration	117.00	87.02
Boarding & Lodging	60.94	49.82
Inauguration Expenses	1.47	-
Interior Decoration Expenses	1.33	-
Listing Fees	0.59	0.44
Bank Charges	36.14	26.39
Office Maintenance	11.08	5.45
Share Transfer Agent Fees	1.12	1.13
Sitting Fees	0.45	0.54
Software Development Charges	6.73	1.00
Interest Paid	0.43	-
Vehicle Maintenance	90.15	100.10
Water Consumption	12.61	14.14
Rent Including Lease Rentals	1,378.82	1,323.60
Repairs & Maintenance - Equipments	14.85	16.82
Repairs & Maintenance - AMC	23.15	45.88
Repairs & Maintenance - Others	61.90	56.36
Insurance	40.27	34.50
Rates and Taxes	15.75	6.83
Telephone Expenses	46.43	51.61
Internet Charges	39.89	40.62

Notes forming part of the financial statements (Contd.)

Particulars	31 March, 2014 Rs. In Lakhs	31 March, 2013 Rs. In Lakhs
Travelling and Conveyance:		
- Domestic	76.16	67.66
- Foreign	16.80	14.10
Travelling Expenses-Others	55.04	46.02
Printing and Stationery	53.95	50.74
Postage Expenses	21.05	16.91
Business Promotion	33.17	51.01
Marketing Expenses	138.84	179.77
Contribution towards Scientific Research	240.08	200.41
Legal and Professional Charges	15.59	9.08
Payments to Auditors (Refer Note (i) Below)	19.93	19.21
Impairment of Assets	1.94	2.38
Sundry Debtors Write off	98.53	21.42
Prior Period Items	86.70	24.78
Loss on sale of fixed assets	23.52	-
Miscellaneous Expenses	0.90	12.82
Total	2,848.66	2,584.68

(i) Payments to the Auditors Comprises (Including Service Tax Where Applicable)

Particulars	31 March, 2014 Rs. In Lakhs	31 March, 2013 Rs. In Lakhs
(a) As Auditors		
Audit Fees	10.11	8.43
Tax Audit Fees	0.56	0.56
(b) In other capacity		
Management Services	6.74	7.27
Internal Audit	1.20	1.20
Other Services (Certification fees)	0.18	0.12
Reimbursement of Expenses	1.14	1.63
Total	19.93	19.21

Notes forming part of the financial statements (Contd.)

26) Corporate Information:

Dr. Agarwal's Eye Hospital Limited ('the Company') was incorporated on April 22, 1994 under the provisions of Companies Act, 1956. The Company is primarily engaged in running, owning and managing eye care hospitals, Opticals, Pharmacy along with various other objectives like rendering hospitality services in all branches of medical sciences both in India and abroad, carrying out medical research activities, etc. As at March 31, 2014, the Company is operating with 22 branches and one main hospital in Tamilnadu.

As on March 31, 2014, Dr. Agarwal's Health Care Limited owned 71.75% of the Company's Equity share capital and has the ability to control its operating and financial policies.

27) 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. Improvements to Leasehold Premises are amortized over the remaining primary lease period.

- **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. Opticals 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.

- **Leases**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognized as operating leases. Lease rentals under operating leases are recognized in the statement of profit and loss.

- **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 of assets**

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.

● **Operating Cycle for current and non-current classification:**

All assets and liabilities have been classified as current or non-current as per the Companies Act, 1956. Based on the nature of activities and the normal time between the acquisition of the assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

28. Expenditure incurred in foreign currency during the year is Rs. Nil (P.Y. Rs.14.10 Lacs).
29. Earnings in Foreign currency towards Consultancy Services and other Surgeries during the year amounts to Rs.23.36 Lacs (P.Y. Rs.178.46 Lacs)
30. Quantitative particulars of Medicines and Opticals for the year ended 31.03.2014 are given below:

Particulars	Quantity		Value	
	Opticals (Frames)	Pharmacy (No's)	Opticals (Rs. In Lacs)	Pharmacy (Rs. In Lacs)
Opening Stock	56,236	739,616	364.37	100.78
Purchases	514,865	5,262,613	859.44	630.42
Sales	378,361	5,407,791	902.08	659.98
Closing Stock	192,740	594,438	321.73	71.22

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 overdues 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.2013-14 is Rs. 1.94 Lacs (P.Y. Rs. 2.38 Lacs)

34. Intangible Assets

As per AS 26, 1/10th of Goodwill amounting to Rs.23.61 Lacs has been amortized during the year. (P.Y.Rs.22.86 Lacs)

35. The CIF value of Imports during the year is Rs. Nil. (P.Y. Nil)

36. Disclosure in respect of Leases pursuant to Accounting Standard (AS 19) "Leases":

The Company has taken various commercial premises under cancellable operating leases. These lease agreements are normally renewed on expiry. The Lease rental expense incurred in respect of operating leases is Rs. 1378.82 lacs. (P.Y. Rs. 1323.60 lacs)

37. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances is Rs.57.88 Lacs. (P.Y. Rs.20.57 Lacs)

38. The Company has incurred Rs.239.68 Lacs as contribution towards Scientific Research of Eye Research Centre during the year (P.Y. Rs. 200.41Lacs)
39. The overdue Trade Receivables and Advance Recoverable from others as on 31/03/2014 amounts to Rs. 1.84 Crore and Rs.80.34 Lakhs respectively. The Company is in the process of obtaining confirmation of these dues and also taking steps for recovering the same.
40. Segment reporting made in accordance with Accounting Standard AS 17 with business as the primary segment (Rs. in Lacs)

S.No.	Particulars	2013-14	2012-13
I	SEGMENT- REVENUE		
	Medical Services	8,942.64	8,495.69
	Trading Activities	2,322.56	2,356.04
	Total Income	11,265.20	10,851.73
	Others (Unallocable) – Net	275.07	121.21
	Income from Operations	11,540.27	10,972.95
II	SEGMENT- RESULTS		
	Medical Services	416.62	517.22
	Trading Activities	299.04	280.42
	Profit before Interest and Tax	715.66	797.64
	Less: Interest	345.48	354.22
	Profit Before Tax	370.19	443.42
III	CAPITAL EMPLOYED		

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.

41. 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
- ☐ Orbit Health Care Services Limited, Mauritius
- ☐ Dr.Agarwal's Eye Institute
- ☐ Dr.Agarwal's Optical Limited

3. Key Management Personnel

- ☐ Dr.Amar Agarwal
- ☐ Dr.Athiya Agarwal
- ☐ Dr.Adil Agarwal
- ☐ Dr.Anosh Agarwal

* Related Party relationships are as identified by the Management and relied upon by the Auditors.

B) Transactions and Balances with related parties for the year ended March 31, 2014

Name of the Related Party	Nature of Transaction	Transaction Value 2013-14 Rs. in Lacs	Transaction Value 2012-13 Rs. in Lacs	Outstanding Balances as on March 31, 2014 (Rs in Lacs)	Outstanding Balances as on March 31, 2013 (Rs. in Lacs)
Orbit International	Payment of Rent	107.86	107.86	8.19 (Cr)	Nil
	Reimbursement of Expenses	14.66	16.22	Nil	Nil
	License Fee Deposit	Nil	Nil	425.00 (Dr)	425.00 (Dr)
Orbit Health Care Services Limited, Mauritius	Reimbursement of Expenses	63.75	Nil	53.98 (Dr)	Nil
Dr. Agarwal's Eye Institute	Payment of Rent	674.16	674.16	51.18 (Dr)	Nil
	Reimbursement of Expenses	116.60	131.96	34.86 (Dr)	36.65 (Dr)
	Rent Advance	Nil	Nil	417.37 (Dr)	417.37 (Dr)
Dr. Amar Agarwal	Remuneration	36.00	36.00	Nil	Nil
Dr. Athiya Agarwal	Remuneration	36.00	36.00	Nil	Nil
Dr. Adil Agarwal	Remuneration	12.00	15.02	Nil	Nil
Dr. Anosh Agarwal	Remuneration	33.00	Nil	Nil	Nil
Dr. Agarwal's Health Care Ltd	Management consultancy services (Income)	170.45	247.93		
	Business Consultancy Services	63.40	82.92	133.05 (Dr)	97.94 (Dr)
	Consultancy Charges to Doctors	35.40	69.75		
	Reimbursement of Expenses	2.03	Nil		
Dr. Agarwal's Optical Ltd	Reimbursement of Expenses	Nil	10.75	Nil	Nil

42. Earnings Per Share (EPS) computed in accordance with Accounting Standard – 20: (Rs. in Lacs)

Particulars	31.03.2014	31.03.2013
Profit after tax (Rs.)	243.07	313.96
Weighted Average of Number of shares issued	46.34	45.00
The nominal value per equity share (Rs.)	10	10
Basic / Diluted EPS (Rs.)	5.25	6.98

43. Contingent Liabilities (Rs. in Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
Claims against the Company not acknowledged as debt	Nil	Nil
Income Tax demands	83.46	67.34
Indirect Tax demands	30.59	Nil

44. Un-Hedged Foreign Currency Exposure as at the Balance Sheet date

The Company does not use any derivative instruments to hedge its foreign currency exposures. Further, the Company does not have unhedged foreign currency balances as at March 31, 2014 and March 31, 2013.

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

NOTES



Dr. Agarwal's Eye Hospital Ltd.

Because Vision is Life



57
YEARS OF CARING
FOR EYES

Free eye screening camp for public



Awareness program on eye care



Free eye camp in school



Eye screening camp for Diabetic Patient



Scientific Congress



Spreading awareness on Eye Care

Centre of excellence since 1957

- ❖ Hi-tech Cataract (Phaco) Surgery
- ❖ Vitreo Retinal Surgery
- ❖ Advanced Refractive Surgery
- ❖ Child Eye Care Services
- ❖ Corneal Transplantation

*Reaching out to
serve common man
in his
neighbourhood*



Our network of eye hospitals

Chennai

Anna Nagar
Ashok Nagar
Avadi

Periyar Nagar
Porur
Nanganallur

Velachery
Tiruvallur
Triplicane

Rest of Chennai

Kumbakonam
Vellore
Villupuram
Erode

Neyveli
Krishnagiri
Dharmapuri

Kanchipuram
Salem (Near Bus stand)
Hosur

Main Hospital: 19, Cathedral Road, Chennai - 86

Rajasthan: Jaipur

Retina Foundation: Gopalapuram, Chennai - 86

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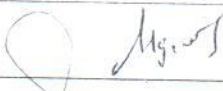




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Integrated Enterprises (India) Ltd, 2nd Floor, Kences Towers, #1, Ramakrishna Street, North Usman Road,
T. Nagar, Chennai - 600 017 Office Phone: (044) 2814 08 01 - 03

FORM A

(Pursuant to Clause 31 of the Listing Agreement)

1.	Name of the Company	Dr. Agarwal's Eye Hospital Limited (CIN: L85110TN1994PLC027366)
2.	Annual financial statements for the year ended	31 st March, 2014
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Not Applicable
5.	Signed by –	
	Dr. Amar Agarwal (DIN 00435684) Chairman & Managing Director	
	Mr. S. Ramanujam CFO	
	Mr. K.J. Dandekar Partner of M/s M.K. Dandekar & Co. (Firm Reg.No.000679S) Auditor of the Company	
	Mr. M.R.G Apparao (DIN 01002591) Audit Committee Chairman	