

September 03, 2016

Bombay Stock Exchange Limited
Department of Corporate Services
Floor 25, P J Towers
Dalal Street,
Mumbai-400 001

Dear Sirs,

Sub: 22nd Annual Report of 2015-16 as per Regulation 34 of SEBI (LODR), Regulations 2015- Reg

Ref: Scrip Code: 526783

With reference to the above, please find enclosed the copy of our 22nd Annual Report for the year ended 31st March, 2016.

Also, we wish to inform you that the enclosed financial statements and the reports of the Board of Directors and Auditors have been adopted and approved at our 22nd Annual General Meeting held on 23.08.2016 (Tuesday) at 11:00 a.m at No.19 (Old No 13), Cathedral Road, Chennai- 600 086.

Request you kindly take the same on records.

Thanking you,

Yours Sincerely,



S. RAMANUJAM
COMPANY SECRETARY & COMPLIANCE OFFICER
DR. AGARWAL'S EYE HOSPITAL LTD

Registered Office

3rd Floor, Buhari Towers, No.4, Moores Road, Off Greams Road, Near Asan Memorial School, Chennai-600 006.
Tel: +91-44-3991 6600 / 3991 6669 Fax: 91-44-3991 6645
Corporate ID Number: L85110TN1994PLC027366
Email: dragarwal@vsnl.com | Website: www.dragarwal.com

22ND

ANNUAL REPORT

2015
2016



Dr. Agarwal's
Eye Hospital Ltd.

For eyes like new

No.4, 3rd Floor, Buhari Towers,
Moores Road, Off Greams Road,
Chennai-600 006.



OUR VISION

To become a
global healthcare organization
with best practices from
different sectors and functions



Looking into the eye for wellness

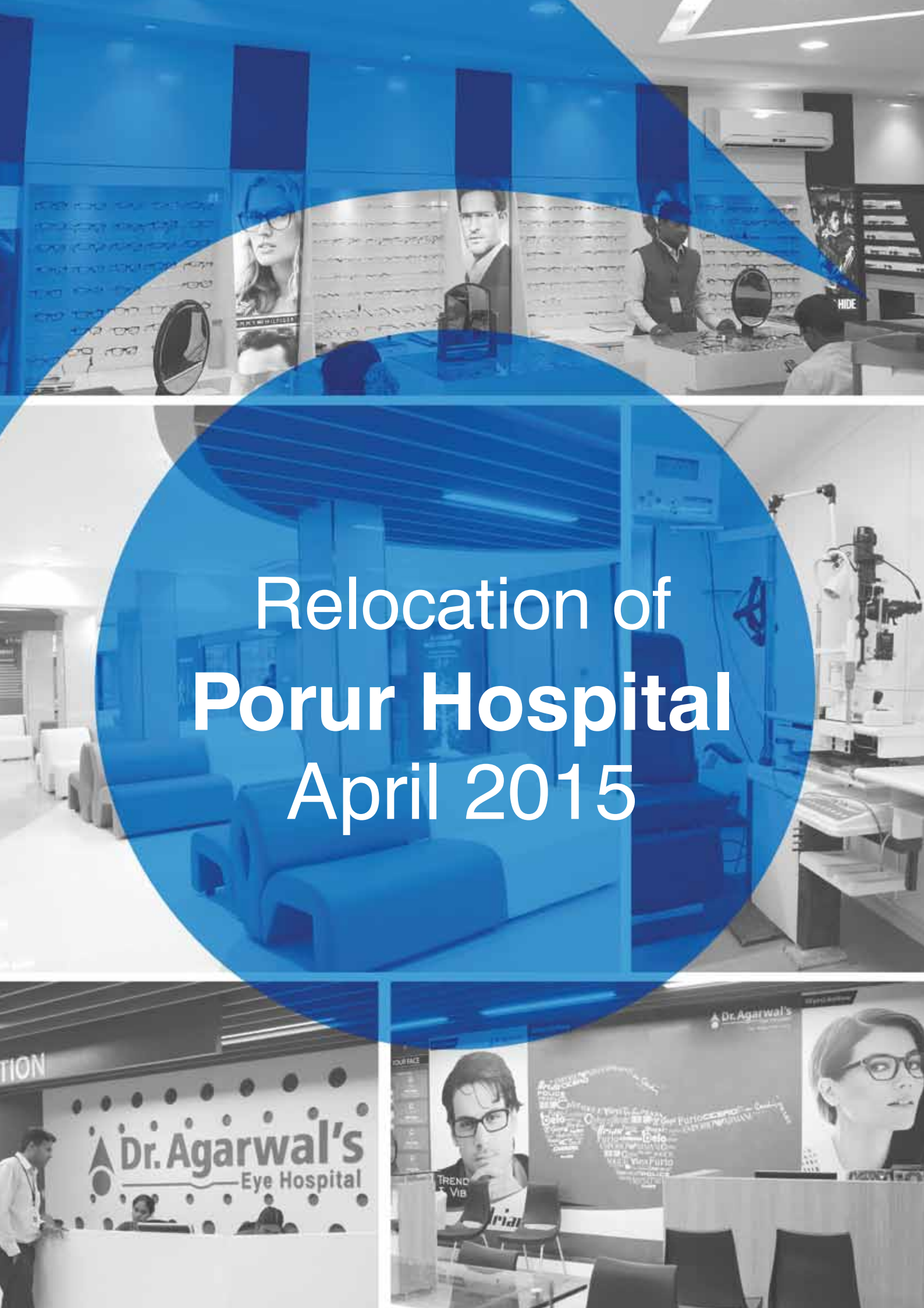
"We realise the importance of our eyes only when we close them for a few seconds and try to do something. While we strive to avoid needless blindness, people should take care of their eyes constantly. This would make treatment simpler and easier.

We believe that seeing is the best gift in life. And that the eyes are the most beautiful part of every human being. This is why we have relentlessly strived to provide complete eye care services for everyone. We are Dr. Agarwal's Eye Hospital, one of the top 5 eye hospitals in India. With a legacy of dedicated eye care services, we are now poised to take ourselves to the next level. Besides being THE place for treating eye ailments, we now also bring our focus into building awareness that will lead to better understanding of the importance of the eye. And this will be our strength while we spread our wings, across the world.

Prof. Amar Agarwal

Chairman cum Managing Director - Dr. Agarwal's Eye Hospital Limited

President - International Society of Refractive Surgery (ISRS)



Relocation of Porur Hospital April 2015

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CORPORATE INFORMATION

DIRECTORS

Dr. Amar Agarwal (DIN 00435684)	Chairman Cum Managing Director
Dr. (Mrs). Athiya Agarwal (DIN 01365659)	Wholetime Director
Dr. Adil Agarwal (DIN 01074272)	Wholetime Director (upto 30.04.2016)
Dr. Anosh Agarwal (DIN 02636035)	Wholetime Director (upto 30.04.2016)
Mr. M.R.G Apparao (DIN 01002591)	Independent Director
CA Sanjay Anand (DIN 02501139)	Independent Director

CHIEF FINANCIAL OFFICER

Mr. R. Sabesan

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. S. Ramanujam

AUDITORS

M/s. Deloitte Haskins & Sells.
Chartered Accountants,
ASV N Ramana Towers, 52, Venkatanarayana Road,
T.Nagar, Chennai – 600 017.

BANKERS TO THE COMPANY

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

REGISTERED OFFICE

3rd Floor, Buhari Towers, No. 4, Moores Road
Off Greams Road, Chennai- 600 006
Website: www.dragarwal.com
CIN NO: L85110TN1994PLC027366
Telephone: 91-44-39916600

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: corpserv@integratedindia.in

10 Year Financial Highlights:

(₹ In crores)

For the year ended	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
Total Income	136.84	118.37	115.94	109.73	105.68	104.01	88.89	73.30	41.40	22.09
EBITDA	14.64	14.73	13.22	13.39	13.00	13.77	11.42	9.69	5.26	4.21
EBITDA%	11%	12%	11%	12%	12%	13%	13%	13%	13%	19%
Depreciation	11.38	6.15	6.05	5.38	5.56	6.15	6.44	5.48	3.30	1.65
PBT	(0.48)	5.36	3.72	4.43	2.92	3.60	0.99	0.60	0.56	2.39
PBT%	-0.35%	4.53%	3.21%	4.04%	2.76%	3.46%	1.11%	0.82%	1.35%	10.82%
PAT	0.03	5.70	2.43	3.14	1.60	2.05	0.52	0.20	0.15	1.23
Profit After Tax %	0.02%	4.82%	2.10%	2.86%	1.51%	1.97%	0.58%	0.27%	0.36%	5.57%
Equity Share capital	4.70	4.70	4.70	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Reserves	18.72	19.06	14.28	11.14	8.63	7.02	5.60	5.50	5.18	5.82
Net Worth (NW)	23.42	23.76	18.98	15.64	13.13	11.52	10.10	10.00	9.68	10.32
Loan funds	24.92	18.81	18.89	19.55	20.99	24.16	26.78	29.93	20.40	4.95
Capital Employed (CE)	48.34	42.57	37.87	35.19	34.12	35.68	36.88	39.93	30.08	15.27
Return on Networth % (PAT/NW)	0.13%	23.99%	12.81%	20.08%	12.19%	17.80%	5.15%	2.00%	1.55%	11.92%
Return on Capital Employed % (EBITDA/CE)	30.29%	34.60%	34.91%	38.05%	38.10%	38.59%	30.97%	24.27%	17.49%	27.57%
Debt/ Equity ratio	1.06	0.79	1.00	1.25	1.60	2.10	2.65	2.99	2.11	0.48
Dividend	8%	12%	12%	12%	-	12%	8%	-	15%	15%
Earnings Per Share Rs.	0.08	12.12	5.25	6.98	3.56	4.55	1.16	0.44	0.34	2.74

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the 22nd Annual General Meeting of the shareholders of the company will be held on Tuesday, August 23rd 2016 at 11.00 am at No 19 (Old no 13), Cathedral Road, Chennai 600086 to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at March 31, 2016 and statement of Profit and Loss for the year ended on that date, the Report of the Directors and Auditor's thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director, in place of Dr. Adil Agarwal (DIN: 01074272) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director, in place of Dr. Anosh Agarwal (DIN: 02636035) who retires by rotation and being eligible, offers himself for re-appointment.
5. To ratify the appointment of Statutory Auditors and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution

"RESOLVED THAT pursuant to Section 139 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the members of the Company do hereby ratify the appointment of M/s Deloitte Haskins and Sells (Firm Reg. No 008072S) Chartered Accountants, Chennai, as statutory auditors of the Company to hold office up to the conclusion of 26th Annual General Meeting of the Company, who were appointed in the 21st Annual General Meeting (held on September 10, 2015) for a period of five years till the conclusion of the 26th Annual General Meeting, on such remuneration and out of pocket expenses as may be determined by the Audit Committee and fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

6. Ratification of Remuneration to Cost Auditor for the Year 2015-16

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable for the year 2015-16 to Mr. P. Raju Iyer, Cost Accountant (Membership No: 6987) appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2015-16, amounting to a remuneration of ₹ 60,000 plus service tax and re-imbursement of out of pocket expenses incurred by him in connection with the aforesaid audit be and is hereby ratified and confirmed."

7. Re-Appointment Of Dr. AMAR AGARWAL (DIN: 00435684) As a Chairman Cum Managing Director

To consider and if thought fit, to pass with or without modification, the following Resolution as a **Special Resolution:**

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and other applicable provisions of the Companies Act, 2013 (the Act), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 approval of the Members be and is hereby accorded to the re-appointment of Dr. Amar Agarwal (DIN 00435684) as a Chairman Cum Managing Director of the Company, (not liable to retire by rotation), for a period of three years, with effect from 1st October 2016 up to 30th September 2019 on a remuneration of not exceeding ₹ 7,00,000/- (Rupees Seven Lakhs only) per month."

"RESOLVED FURTHER THAT the remuneration as aforesaid shall be payable to the Chairman Cum Managing Director as the minimum remuneration, in the event of loss or inadequacy of profits in any financial year during the above said period, notwithstanding the limits laid down in Section 197 of the Companies Act, 2013."

8. Re-Appointment Of Dr. (Mrs.) ATHIYA AGARWAL (DIN: 01365659) As a Whole-Time Director

To consider and if thought fit, to pass with or without modification, the following Resolution as a **Special Resolution:**

RESOLVED THAT in accordance with the provisions of Sections 196, 197 and other applicable provisions of the Companies Act, 2013 (the Act), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 approval of the Members be and is hereby accorded to the re-appointment of Dr. Athiya Agarwal (DIN 01365659) as a Whole-Time Director of the Company, liable to retire by rotation, for a period of three years, with effect from 1st October 2016 up to 30th September 2019 on a remuneration of not exceeding ₹ 7,00,000/- (Rupees Seven Lakhs only) per month.

"RESOLVED FURTHER THAT the remuneration as aforesaid shall be payable to the Whole-Time Director as the minimum remuneration, in the event of loss or inadequacy of profits in any financial year during the above said period, notwithstanding the limits laid down in Section 197 of the Companies Act, 2013."

9. DELIVERY OF DOCUMENTS

To consider and if thought fit to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 20 and all other applicable provisions of the Companies Act, 2013 ("the Act") read with the Rules framed thereunder ("the Rules") (including any statutory modification(s) or re-enactment(s) of the Act and/ or the Rules for the time being in force) authority be and is hereby given to the Board of Directors of the Company and any Committee which the Board of Directors may hereafter constitute for the time being for exercising the powers conferred on the Board of Directors by this Resolution) to determine the fee to be charged from member(s) who requests delivery of any document through a particular mode."

For and on behalf of the Board

Sd/-

Place: Chennai

Date : May 19, 2016

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 HIM / HER 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 Key Managerial Personnel (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 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 August 17, 2016 to August 23, 2016 (both days inclusive) for the purpose of payment of the final dividend for the financial year ended March 31, 2016.
7. Dividend if declared, will be paid to the Members whose names appear on the Register of Members as on August 23rd, 2016 for shares held in physical mode 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 August 16th 2016.
8. Members are requested to notify immediately, changes in their respective addresses through 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. 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, for shares held in physical mode. For shares held in demat mode, Members are requested to contact their respective Depository Participant for availing Nomination facility.
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 205 A of the Companies Act, 1956 (Section 124 of the Companies Act, 2013, 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 of dividend	Last date for claiming unpaid dividend	Due date for transfer to IEP fund	Amount (₹)
2008-09	NIL	NA	NA	NA	NA
2009-10	8%	24.08.2010	23.08.2017	22.09.2017	1,19,462.40
2010-11	12%	23.08.2011	22.08.2018	21.09.2018	1,69,544.80
2011-12	NIL	NA	NA	NA	NIL
2012-13	12%	13.08.2013	12.08.2020	11.09.2020	1,98,777.60
2013-14	12%	09.09.2014	08.09.2021	07.10.2021	2,01,452.40
2014-15	12%	10.09.2015	09.09.2022	08.09.2022	2,02,140.00

The Shareholders who have not claimed the dividends are requested to claim the same before the due dates as mentioned above 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 to be read with the DIN no. of the concerned Director as appearing above in this Notice.

INSTRUCTION FOR REMOTE E-VOTING:

- In compliance with provision of section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management & Administration) Rules, 2014 as amended by the Companies (M&A) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, the Company is pleased to offer the option of Remote e-voting to all the members of the Company to cast their vote on resolution proposed to be considered at the ensuing Annual General Meeting (AGM). The facility of casting the votes by the members using Remote e-voting system from a place other than venue of the AGM will be provided by National Securities Depository Limited (NSDL).
- The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- The remote e-voting period commences on August 19, 2016 (9:00 am) and ends on August 22, 2016 (5:00 pm). During this period members of the company holding shares either in physical form or in dematerialized form, as on the cut-off date of August 16, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, he / she shall not be allowed to change it subsequently.
- The process and manner for remote e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the company / Depository Participant(s)].
- Open email and open PDF file viz . "Dr. Agarwal's Eye Hospital remote e-voting .pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/ PIN for remote e-voting. Please note that the password is an initial password.
 - Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - Click on shareholder- Login
 - Put user ID and password as initial password / PIN noted in step (i) above.
 - Click Login. Password change menu appears. Change the password / PIN with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep you password confidential.
 - Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - Select EVEN (E-Voting Event Number) of Dr. Agarwal's Eye Hospital Limited
 - Once you enter the number, the 'Cast Vote' Page will open. Now you are ready for remote e-voting.
 - Cast your vote by selecting appropriate option and click on Submit and also click on Confirm when prompted.
 - Upon confirmation, the message 'Vote Cast Successfully' will be displayed.
 - Kindly note that vote once cast cannot be modified.
 - Institutional shareholders (i.e other than individuals, HUF, NRI, etc) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter, etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail 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)

- 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

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

- In case of any queries you may refer the Frequently Asked Question (FAQs) for members and remote e-voting user manual for members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or contact NSDL by email at evoting@nsdl.co.in
- If you are already registered with NSDL remote e-voting then you can use your existing user ID and password / PIN for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on cut-off date of August 16, 2016.
- Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e August 16, 2016 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or RTA.
If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting/voting at the AGM through ballot paper.
- Mr. N.K Bhansali Practicing Company Secretary (Membership No. FCS 3942), has been appointed as the scrutinizer to scrutinize the voting at the AGM and remote e voting process in a fair and transparent manner.
- The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" / "Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility,

14. The Scrutinizer shall after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, within 48 hours of conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
15. 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 website of the Company www.dragarwal.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The result shall also be immediately forwarded to the BSE Limited.
16. Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, brief profile of the Directors seeking re-appointment at the forthcoming Annual General Meeting vide item Nos. 3, 4, 7 and 8 is as follows:

THE INFORMATION IN RESPECT OF ITEM NOS. 3,4,7 AND 8 IN ACCORDANCE WITH REGULATION 36 (3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 IN RESPECT OF THE DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE TWENTY SECOND ANNUAL GENERAL MEETING ARE FURNISHED HEREUNDER:

Name of Director	Expertise in Specific Functional Areas	Qualifications	Directorship in Other Listed Companies	No. of equity shares held in the Company	Relationship with other Directors	Chairman / Member of Committee in other Listed Companies
Dr. Adil Agarwal	Highly qualified Vitreoretinal surgeon	M.B.B.S, M.S (Ophthalmology), MBA (Stanford Graduate School of Business)	NIL	NIL	He is related to Dr. Amar Agarwal, Dr. Athiya Agarwal & Dr. Anosh Agarwal	NIL
Dr. Anosh Agarwal	Highly qualified Vitreoretinal surgeon	M.B.B.S, M.S(Ophthalmology), MBA (Harvard Business School)	NIL	NIL	He is related to Dr. Amar Agarwal, Dr. Athiya Agarwal & Dr. Adil Agarwal	NIL
Dr. Amar Agarwal	Widely respected Ophthalmic surgeon. Inventor of Phakonit, Microphakonit and PDEK a significant milestone in cataract surgery	MS, F.R.C.S, F.R.C Ophth. (Lon)	NIL	NIL	He is related to Dr. Athiya Agarwal, Dr. Adil Agarwal & Dr. Anosh Agarwal	NIL
Dr. Athiya Agarwal	One of the leading Anterior Segment surgeon and Ocular Pathologist	MD, F.R.S.H (Lon), DO.	NIL	NIL	She is related to Dr. Amar Agarwal, Dr. Adil Agarwal & Dr. Anosh Agarwal	NIL

Place: Chennai
Date : May 19, 2016

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

EXPLANATORY STATEMENT SETTING OUT MATERIAL FACTS AS REQUIRED BY SECTION 102(2) OF THE COMPANIES ACT, 2013**ITEM No:6**

At the Board Meeting held on the 23rd September 2015, after considering the recommendation of the Audit Committee, the Board of Directors have appointed Shri P. Raju Iyer Cost Accountant (Membership No: 6987) as the Cost Auditor of the Company for the year 2015-16 on a remuneration of ₹ 60,000 plus service tax and re-imbursement of out of pocket expenses incurred by him in connection with the aforesaid audit. Pursuant to the provisions of Section 148 read with the Companies (Audit and Auditors) Rules, 2014, the aforesaid remuneration approved by the Board of Directors is required to be ratified by the Shareholders.

The Ordinary Resolution appearing in the Notice is sought to be passed for this purpose.

None of the Directors or the Key Managerial Personnel is interested or concerned in the Resolution except as a shareholder of the company.

ITEM Nos:7 & 8

Dr. Amar Agarwal and Dr. Athiya Agarwal were appointed as Chairman cum Managing Director and Whole-Time Director of the Company respectively w.e.f. 1st October, 2013 for a period of three years by the members of the Company in the Annual General Meeting held on 13th August, 2013. Their appointments were approved in accordance with Schedule XIII of the Companies Act, 1956.

Since their appointments ceases on 30th September 2016, the Board of Directors at the meeting held on 19th May, 2016, on the recommendations of Nomination and Remuneration Committee has accorded its approval to re-appoint Dr. Amar Agarwal and Dr. Athiya Agarwal respectively as Chairman cum Managing Director and Whole-Time Director of the Company for a period of 3 years with effect from the 1st October, 2016 on a remuneration of not exceeding ₹7,00,000 per month, subject to the approval of the Members of the Company in a General Meeting, through a Special Resolution.

Since the Company is having inadequacy of profits, the proposed remuneration would be in accordance with the limits prescribed under Section II of Part II of Schedule V to the Companies Act, 2013, subject to the Company obtaining the approval of the Members through a Special Resolution.

The terms of reference contained in the resolution may also be treated as an abstract/ compliance under section 190 of the Companies Act, 2013.

The Special Resolutions at Item No.7 and 8 of the Notice is sought to be passed for this purpose.

Except Dr. Amar Agarwal, Dr. 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 Resolutions except as a shareholder of the company. The Board of Directors recommends the above Special Resolutions for the approval of the shareholders.

Disclosure pursuant to Section II of Part II of Schedule V of the Companies Act, 2013. (For Item Nos.7 & 8)**I. GENERAL INFORMATION:**

1.	Nature of Industry	Eye Hospital	
2.	Date of Commencement of Business	12 th July, 1994	
3.	In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in prospectus.	Not Applicable	
4.	Financial Performance as on 31 st March 2016		(₹ in Lakhs)
		Sales	13,683.72
		Profit after Tax	3.67
		Paid-up Share Capital	470.00
		Reserves & Surplus	1,872.11
		Long term loans	2,492.04
		Total	4,834.15
		Less: Investments	Nil
5.	Export performance and net Foreign Exchange Collaborations, if any	Preliminary Expenses	Nil
		(To the extent not written off)	
		Effective Capital as on 31-03-16	4,834.15
6.	Foreign investments or Collaborations, if any	NA	

II. INFORMATION ABOUT APPOINTEE:

a) Dr. Amar Agarwal		
1.	Background details	Dr. Amar Agarwal, 55 years, has been the Director of the company since its inception. He is MS, F R C S, F R C. Opht.(London) He has over 30 years of experience in Eye Care Industry .
2.	Past Remuneration	₹ 3,00,000/- per month (cost to the Company).
3.	Recognition or awards	Kelman Award by Hellenic Society of Greece, Barraquer Award by the Keretomileusis Study Group, American Academy Achievement Award by the American Academy and many Video awards at American Academy of Ophthalmology, American Society of Cataract & Ref. Surgery convention and European Society of Cataract & Refractive Surgery convention. He has won National Awards like Scientific innovation award, Champion of Humanity award and Outstanding achievement award for his invention of Phakonit, Microphakonit and PDEK a significant milestone in cataract surgery, including the best Doctor Award from the Tamil Nadu Govt on the occasion of Independence day celebrations during the year 2014.
4.	Job Profile and his suitability	Dr. Amar Agarwal is entrusted with overall control and supervision of the company. He is having substantial powers of management and is responsible for the general conduct and management of the business and affairs of the Company subject to the superintendence, control and supervision of the Board of Directors of the Company.
5.	Remuneration proposed	Not exceeding ₹ 7,00,000/- per month.
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The remuneration, is revised keeping in mind the industry trends / profile and intellectual abilities / knowledge in the field of ophthalmology and is also comparable with other companies in the same line of business and of similar size.
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial person, if any	He is related to Dr. Athiya Agarwal, Dr. Adil Agarwal and Dr. Anosh Agarwal.
b) Dr. Athiya Agarwal		
1.	Background details	Dr. Athiya Agarwal, 60 years, has been the Director of the company since its inception .She is M D, F R S H (London), DO, She has over 30 years of experience in Eye Care Industry.
2.	Past Remuneration	₹ 3,00,000/- per month (cost to the Company).
3.	Recognition or awards	She has won many International video awards / presented case studies in several international forums.
4.	Job Profile and his suitability	She is entrusted with substantial powers of management and is responsible for the general conduct and management of the business and affairs apart from mentoring the research initiatives of the Company subject to the superintendence, control and supervision of the Board of Directors of the Company.
5.	Remuneration proposed	Not exceeding ₹ 7,00,000/- per month.
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person	The remuneration, is revised keeping in mind the industry trends / profile and intellectual abilities / knowledge in the field of ophthalmology and is also comparable with other companies in the same line of business and of similar size.
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial person, if any	She is related to Dr. Amar Agarwal, Dr. Adil Agarwal and Dr. Anosh Agarwal.

III. OTHER INFORMATION:

1	Reasons for loss or inadequate profits	As on 31 st March, 2016 the Company has invested substantial sums in high-end technology, skilled manpower resulting in higher depreciation and increased operating cost. On account the above, the company posted a net profit of ₹ 3.67 lakhs. As per the provisions of Schedule V, these would be inadequate for payment of remuneration to the two Whole time Directors.
2	Steps taken for improvement	The above investment in technology/skilled manpower is expected to benefit the company in the long run through higher revenues/margin.
3	Expected increase in productivity and profits in measurable terms	The Company expects that improvement in business environment and several steps being taken to enhance revenue and reduce costs, which may yield better Profit in the years to come.

Item No. 9:

Section 20 of the Companies Act, 2013 read with Rule 35 of the Companies (Incorporation) Rules, 2014 provides the mode of service of documents inter alia to the members of the Company. The proviso to sub-section (2) of that Section states that where a member requests for delivery of any document through a particular mode, he shall pay fees as may be determined by the Company in its Annual General Meeting. Since such fee will be determined by the mode, weight and place of delivery of the document sought, it is not possible to quantify the amount, and hence it is appropriate that the Board of Directors be authorized to determine the fee. None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the Resolutions. except as a shareholder of the company. The Board of Directors accordingly recommends the Ordinary Resolution set out at Item No. 9 of the accompanying Notice for approval of the shareholders which is an enabling resolution.

For and on behalf of the Board

Sd/-

Place: Chennai

Date : May 19, 2016

Dr. Amar Agarwal
Chairman Cum Managing Director

DIRECTORS' REPORT

Your Directors have pleasure in presenting before you the **Twenty Second Annual Report** of the Company together with the Audited Financial Statements for the year ended March 31, 2016.

PERFORMANCE:

The highlights of the financial of your company are as under:

(₹ In Lakhs)

Particulars	March 31,2016	March 31,2015
Gross Income	13,683.72	11,837.50
Profits before depreciation and interest	1,464.32	1,472.71
Depreciation	1,138.11	615.60
Interest	374.36	320.85
Profit before Tax	(48.15)	536.26
Net Tax Expense / (credit)	(51.82)	(33.54)
Profit After Tax	3.67	569.80
Balance of Profit brought forward	1,272.00	801.57
Profit available for appropriations	1,275.67	1,371.37
Appropriations:		
Dividend (inclusive of dividend tax)	45.25	67.68
Transfer to General Reserve	-	8.00
Additional depreciation on fixed asset	(7.69)	23.69
Balance carried forward to Balance Sheet	1,238.11	1,272.00

COURSE OF BUSINESS AND OUTLOOK:

During the year under review, the company had achieved a turnover of ₹ 137 Crore as compared to ₹ 118 Crore in the last year, a growth of around 16 % over previous year. The profit / (Loss) before tax was (₹ 0.48) Crore as compared to ₹ 5.36 Crore in the previous year, largely due to significant investments in upgradation of its centres resulting in increased depreciation, further compounded by unprecedented monsoon in the geographies where the company operates. Your Company enjoys a loyal clientele and the company is taking various steps to increase through various Marketing / Branding initiatives and the Directors are confident that the operations in the current year will be much better.

DIVIDEND:

Your Directors recommend a dividend of 8 % for the financial year ended 31st March, 2016 (12 % previous year) exclusive of dividend distribution tax, which will result in the out flow of ₹ 0.38 Crore.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT:

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report.

TRANSFER TO RESERVES:

Your Company does not propose to transfer any amount to the General Reserve during the year.

DEPOSITS:

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the said financial year.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The company has not given any loans or guarantees and made any investments as covered under the provisions of section 186 of the Companies Act, 2013 during the said financial year.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Company has implemented and evaluated the Internal Financial Controls which provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes and policies, safeguarding of assets, prevention and detection of frauds, accuracy and completeness of accounting records. The Internal Audit Reports were reviewed periodically by Audit Committee as well as by the Board. Further, the Board annually reviews the effectiveness of the Company's internal control system. The Directors and Management confirm that the Internal Financial Controls (IFC) and the policy there of is adequate with respect to the operations of the Company. A statement pursuant to Section 143(3) (i) of the Companies Act, 2013 certifying the adequacy of Internal Financial Controls is annexed with the Auditors report.

DIRECTORS / KEY MANAGERIAL PERSONNEL:

Dr. Adil Agarwal and Dr. Anosh Agarwal retire by rotation and being eligible offers themselves for re-appointment. The Directors recommend for their re-appointment.

Both of them got re-designated as Non-Executive Directors with effect from May 1, 2016. There has been no change in the Key Managerial Personnel during the year.

Pursuant to the terms of appointment, the offices of Dr. Amar Agarwal and Dr. Athiya Agarwal will expire on September 30 2016 respectively. As recommended by the Nomination and Remuneration Committee, the Board re-appointed Dr. Amar Agarwal and Dr. Athiya Agarwal as Chairman and Managing Director and Whole-Time Director respectively for a period of 3 years, subject to the approval of the shareholders. The information on the particulars of Directors eligible for appointment in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirement Regulations), 2015 has been provided in the notes to the notice convening the Annual General Meeting.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 (10) of SEBI (Listing Obligations and Disclosure Requirement Regulations) to the extent applicable, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Appointment & Remuneration Committees. The Directors held separate discussions with each of the Directors of the Company and obtained their feedback on overall Board effectiveness as well as each of the other Directors.

A separate meeting of the independent directors was convened, which reviewed the performance of the Board (as a whole), the non-independent directors and the Chairman. Post the separate meeting of the Independent Directors, collective feedback of each of the Independent Directors was discussed by the Chairman of the said meeting.

VIGIL MECHANISM:

As per Section 177 of the Companies Act, 2013, your company had established the vigil mechanism and the same is available in the company's website.

INVESTOR EDUCATION AND PROTECTION FUND:

Pursuant to section 205C of the Companies Act, 1956, your company has transferred a sum of ₹ 1,89,696 being unclaimed final dividend for the year 2007-08.

AUDITORS AND AUDITORS' REPORT:

M/s Deloitte Haskins & Sells, Chartered Accountants, Chennai, Statutory Auditors of the Company hold office upto the conclusion of the 26th Annual General Meeting who were appointed at the 21st Annual General Meeting to hold office until 26th Annual General Meeting. Your company seeks ratification of the appointment of Statutory Auditors at the ensuing Annual General Meeting.

There are no disqualifications, reservations or adverse remarks in the Auditors' Report.

COST AUDITORS:

Pursuant to Section 148 of the Companies Act, 2013 read with the relevant Rules, and based on the recommendation of the Audit Committee, the Board of Directors approved the appointment of Mr. P Raju Iyer (Membership No:6987) as the Cost Auditor of the Company for the Financial Year 2015-16.

EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as **Annexure-I** to this report.

PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197 read with Rule 5 and Section 197 read with Rule 12 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company are being annexed as part of the Annual Report as **Annexure-II** to this report.

SECRETARIAL AUDIT REPORT:

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed Mr. N.K Bhansali Practicing Company Secretary (Membership No: FCS 3942) to undertake the Secretarial Audit of the Company for the financial year 2015-16. The Secretarial Audit report is annexed as **Annexure-III** to this report.

There are no disqualifications, reservations or adverse remarks made by the Secretarial Auditor in his Report.

RISK MANAGEMENT POLICY:

Your Company has an effective Risk Management Policy. The management continuously oversees the risk management process including identification, impact assessment and drawing mitigation plans. The details of risks perceived by the Management are annexed as part of the Management Discussion and Analysis Report.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY:

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of women at the workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2015-16

- a. No. of complaints received: NIL
- b. No of complaints disposed off: NA

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

The Company is exploring new technologies and improving the existing technologies applicable to the Hospital Business. The Company is engaged in conducting continuous research and development programs and has over a period, developed an excellent team of highly skilled ophthalmic specialists and surgeons.

FOREIGN EXCHANGE EARNINGS / OUTGO:

Foreign Earnings : ₹ Nil (Previous Year ₹ Nil)

Foreign Outgo : ₹ 330.65 Lakhs (Previous Year ₹ 310.20 lakhs) towards import of equipments and Consultancy / Other Expenses

DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 134 clause (C) of sub-section (3) of the Companies Act, 2013, the Directors would like to state that:

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- (ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the year under review.
- (iii) The directors have 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.

Dr. AGARWAL'S EYE HOSPITAL LIMITED

- (iv) The directors have prepared the annual accounts on a going concern basis.
- (v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

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 (CSR):

The Company has constituted CSR Committee and following are the members

- a Dr. Athiya Agarwal- Chairman
- b CA Sanjay Anand- Member
- c Dr. Adil Agarwal- Member
- d Dr. Anosh Agarwal- Member

The CSR policy pursuant to the provisions of Section 135 of the Companies Act, 2013 is available in your company's website www.dragarwal.com. The provisions of CSR is applicable to the company with effect from the current financial year and accordingly, the company needs to expend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility activities amounting to ₹ 9 Lakhs. The Company has incurred expenditure amounting to ₹ 10 lakhs by way of contribution to National Prime Minister's Relief fund, towards CSR responsibilities.

The report on CSR activities is given in **Annexure IV** forming part of this Report

RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large. The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, and the Rules there under. This policy was considered and approved by the Board has been uploaded on the website at www.dragarwal.com

CORPORATE GOVERNANCE:

Your Company has been complying with the principles of good Corporate Governance practices over the years. Pursuant to the Listing Agreement read with Regulation 15(2) of the SEBI (Listing Obligations and Disclosure Requirements Regulations) 2015, the compliance with the corporate governance provisions as specified in regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and para C , D and E of Schedule V shall not apply to the Company. However, the Company has generally complied with the Corporate Governance requirements to the extent applicable and a report on Corporate Governance is annexed.

MANAGEMENT DISCUSSION & ANALYSIS REPORT:

As required under SEBI (Listing Obligations and Disclosure Requirements Regulations) Regulations 2015, the Management Discussion and Analysis Report is annexed here with and form a part of this Annual Report.

ACKNOWLEDGEMENTS:

Your directors wish to place on record their appreciation for the continuous support received from the members, customers, suppliers, various statutory bodies of the Government of India and the company's employees at all levels.

Place: Chennai
Date : May 19, 2016

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

Annexure to the Director's Report**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****(a) INDUSTRY STRUCTURE AND DEVELOPMENTS:**

The World Bank has retained its India growth forecast for 2015-16 saying it will continue to grow, but the acceleration year-on-year will be gradual. "The latest India Development Update expects India's economic growth to be at 7.5% in 2015-16, followed by a further acceleration to 7.8% in 2016-17 and 7.9% in 2017-18," the multilateral lending agency said in a report released here.

Change is the new norm for the global health care sector. As providers, payers, governments, and other stakeholders strive to deliver effective, efficient, and equitable care, they do so in an ecosystem that is undergoing a dramatic and fundamental shift in business, clinical, and operating models. This shift is being fuelled by aging and growing populations; the proliferation of chronic diseases; heightened focus on care quality and value; evolving financial and quality regulations; informed and empowered consumers; and innovative treatments and technologies, all of which are leading to rising costs and an increase in spending levels for care provision, infrastructure improvements, and technological innovations

Spending growth is anticipated to accelerate in 2016, topping four percent, and rise to over six percent a year in 2017 and 2018. Growth in several markets, mostly in Asia and the Middle East, will be particularly rapid as public and private health care systems developing; in addition, the trend towards universal health care is likely to be a growth driver in numerous markets.

(b) OPPORTUNITIES AND THREATS:**(i) Opportunities:**

Growing Populations and Changing demographics is expected to continue growth of health care in India.

Disparities between urban and non-urban areas: There is a world of difference between the facilities between health care in urban and non-urban areas. Patients in non-urban areas have the ability to spend and health care service providers who have ability to service in non-urban areas benefit from the ready market.

Increase in demand for elective surgeries: Patients are now willing to undergo discretionary surgeries in order to improve enhance health and improve quality of life.

(ii) Threats:

Intense competition from new ventures results in undercutting of prices/reduced margins.

Discontinuation of Leases: Lands on which our hospitals are located are set up on leased properties. In the event of non-renewal or renewal not in in terms favourable to us, our business may face disruptions.

(c) SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE:

The Company has identified business segment as its primary segment and geographic segment as its secondary segment. Effective, 1st July 2015, the Company has reviewed its business oversight mechanism and has realigned all its operations under single business segment i.e. "Eye Care related Sales and Services", based on the assessment of overall risks and rewards. Accordingly, the figures appearing in these financial statements relate to "Eye Care related sales and services" segment.

(d) INDUSTRY OUTLOOK:

Looking ahead, the health care sector is expected to be the core of economy with a meaningful contribution to growth. The health care growth remains intact with increased income levels, ageing population, growing health awareness and changing attitude towards preventive health care.

(e) RISKS AND CONCERNS AND MITIGATIONS THEREOF:**1) Competition intensity and new entrants to the market:**

- (i) Many competitors attempt capturing market by offering similar treatment through use of primitive technology. This can significantly impact Companies bottom line.

- (ii) Risk Mitigation: The Company believes that in the long run, quality is the sole consideration and has never compromised on its ability in conducting high end, state of art technology.
- (2) Pace of obsolescence of technology and treatment methods:
 - (i) Eye care segment used a number of equipment in its business, which needs to be constantly tested, monitored for technology obsolescence.
 - (ii) Risk Mitigation: Company utilises a dedicated Research & Development function, which develops near term and incremental improvements, as well as step change improvements to existing products and processes, resulting in minimal obsolescence.
- (3) Materials risk:
 - (i) Non availability of good quality materials could impact on time delivery of service to clients.
 - (ii) Risk Mitigation: The Company procures its materials directly from manufacturers on a sustained basis on account of large volumes and timely payments.
- (4) Labour shortage and attrition of key staff including medical professionals:
 - (i) Non availability / attrition of key staff including Skilled Doctors: Non availability of key / skilled Doctors could negate the quality and quantitative performance of the business.
 - (ii) Risk Mitigation: The Company has been continuously recruiting / training Doctors and building its capabilities.
- (5) Increased compliance and regulatory challenges:
 - (i) The evolution of the global regulatory environment has resulted into increased regulatory scrutiny that has raised the minimum standards to be maintained. This signifies the alignment of corporate performance objectives, while ensuring compliance with regulatory requirements.
 - (ii) Risk Mitigation: Company recognises that regulatory requirements can at times be challenging, and therefore will strive to understand the changing regulatory standards, so as to strengthen its decision making processes and integrate these in the business strategy in which it operates.

(f) INTERNAL CONTROL SYSTEMS:

Given the nature of business and size of operations, your company's internal control system has been designed to provide

- (i) Accurate recording of transactions with internal checks and prompt internal reporting
- (ii) Adherence to applicable accounting standards and policies
- (iii) Compliance with applicable statutes, policies and procedures
- (iv) Effective use of resources and safeguarding of assets
- (v) The audit committee of the board of directors also meets regularly to review the reports of internal auditors and providing guidance.

(g) DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

The financial performance of the Company is given separately in Directors report.

(h) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED:

The total employees as at the year end were 942. The details regarding developments in Human resources is dealt in the "Particular of Employees" forming part of the Directors' Report.

CAUTIONARY STATEMENT:

The above statements are as perceived by the directors based on the current scenario and the input available. Any extraneous developments and force majeure conditions may have an impact on the above perceptions.

Annexure to the Director's Report

CORPORATE GOVERNANCE REPORT**1. 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 Limited is fully committed to Corporate Governance in all its activities.

2. BOARD OF DIRECTORS:

- (a) The company's board strength is 6 comprising of 2 executive directors and 4 non-executive directors. Out of the four non-executive directors, two are Independent Directors.

Composition and Category of Directors:

Name	Designation	Category	No. of Board Meetings attended during 2015-16	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	1	NIL
2. Dr. Athiya Agarwal	Whole Time Director	Executive & Non-independent (Promoter)	3	YES	2	NIL
3. Dr. Adil Agarwal	Director	Non- Executive (with effect from 1 st May 2016) (Promoter)	6	YES	1	NIL
4. Dr. Anosh Agarwal	Director	Non- Executive (with effect from 1 st May 2016) (Promoter)	6	YES	2	1
5. Mr. M.R.G Apparao	Independent Director	Non Executive Independent	4	YES	1	NIL
6. CA Sanjay Anand	Independent Director	Non Executive Independent	5	YES	NIL	NIL

(b) Meetings:

During the year 2015-16, 6 (Six) Board Meetings were held at Chennai on the following dates:

25.05.2015; 26.05.2015; 03.08.2015; 23.09.2015; 13.11.2015 and 04.02.2016

(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 SEBI LODR other than that of sitting fees.

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

(e) Code of Conduct:

The Board of directors had implemented a Code of Conduct to be applicable to all Board members and Senior Management of the Company. The same has been posted on the Company's website- www.dragarwal.com.

The Board of directors had also implemented a Code of Conduct for Prohibition of Insider Trading designed to regulate, monitor and report trading by the employees of the company and other connected persons towards achieving compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

The Board has designated the Company Secretary as the Compliance Officer of the Company.

3. BOARD COMMITTEES:

3.1 AUDIT COMMITTEE:

I. Terms of Reference:

The Audit Committee of the company has been mandated with the same terms of reference as specified in Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements Regulations) 2015 as well as Section 177 of the Companies Act, 2013.

II. Composition:

The Committee consists of 3 directors.

Mr. M.R.G Apparao	-	Chairman
CA Sanjay Anand	-	Member
Dr. Anosh Agarwal	-	Member

Among the three members of the Committee, two are Independent. They have considerable financial expertise and experience. The Chief Financial Officer and the Statutory Auditors are permanent invitees to the committee. The Company Secretary shall act as the secretary to the committee

III. Meetings and Attendance:

Audit committee meeting held during the year and attendance details.

Date of Meeting	No. of members present
May 25, 2015	2
August 1, 2015	2
September 23, 2015	2
November 12, 2015	3
February 4, 2016	3

3.2 NOMINATION & REMUNERATION COMMITTEE:

The Company has constituted 'Nomination and Remuneration Committee', meeting the requirements of Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements Regulations) 2015 as well as Section 178 of the Companies Act, 2013.

(i) Composition:

The Committee consists of 3 directors. Among the three members of the Committee, two are Independent.

Mr. M.R.G Apparao	-	Chairman
CA Sanjay Anand	-	Member
Dr. Anosh Agarwal	-	Member

(ii) Terms of Reference:

The Nomination & Remuneration Committee has been constituted to formulate, review and recommend a policy relating to remuneration of directors, key managerial personnel and other employees. The Committee also formulates the criteria for evaluation of Independent Directors and the Board.

(iii) Meetings & Attendance:

During the year 2015-16, no meeting of the Nomination and Remuneration Committee was held.

3.3 Remuneration Policy:

The Nomination and Remuneration committee has adopted a Charter which, inter alia deals with the manner of criteria for determining qualifications positive attributes of Independent Directors and a remuneration policy for Directors, key managerial personnel and other employees. This Policy is accordingly derived from the said Charter.

(I) Criteria for Determining Qualifications, Positive Attributes & Independence of Director:**(i) Qualifications of Independent Director:**

An Independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the company's business.

(ii) Positive attributes of Independent Directors:

An independent director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices.

(iii) Independence of Independent Directors:

An Independent director should meet the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement concerning independence of directors.

(II) Remuneration Policy for Directors, Key Managerial Personnel and other employees:**(a) NON-EXECUTIVE DIRECTORS (NEDs)**

The Non-Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

(b) MANAGING DIRECTOR(MD) & KEY MANAGERIAL PERSONNEL & OTHER EMPLOYEES:

The objective of the policy is directed towards having a compensation philosophy and structure that will reward and retain talent. The Remuneration to Managing Director shall take into account the Company's overall performance, MD's contribution for the same & trends in the industry in general, in a manner which will ensure and support a high performance culture. Pursuant to the provisions of the Companies Act 2013, Managerial Personnel, Key Managerial Personnel, Senior Management and an employee may be entitled to any Employee Stock Options (ESOPs) of the Company as and when decided by the Board and Shareholders. The Remuneration to others will be such as to ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

Remuneration to Directors, Key Managerial Personnel and Senior Management will involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The above criteria and policy are subject to review by the Nomination & Remuneration committee & the Board of Directors of the Company.

Details of Remuneration:

	Name	Designation	Total Remuneration/Sitting fees paid during 2015-16 (₹)	Performance Incentive
1.	Dr. Amar Agarwal	Chairman Cum Managing Director	36,00,000	NIL
2.	Dr. Athiya Agarwal	Whole Time Director	36,00,000	NIL
3.	Dr. Adil Agarwal	Whole Time Director (Upto 30 th April 2016)	36,00,000	NIL
4.	Dr. Anosh Agarwal	Whole Time Director (Upto 30 th April 2016)	36,00,000	NIL
5.	Mr. M. R. G. Apparao	Independent Director	25,000	NIL
6.	CA Sanjay Anand	Independent Director	25,000	NIL

3.4 Independent Directors Meeting:

During the year under review, the Independent Directors met on 23rd September 2015 without the attendance of Non- Independent Directors, inter alia, to discuss the following matters:

- Evaluation of the performance of Non Independent Directors and Board of Directors as a Whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

3.5 Familiarisation Programme

Your Company follows a structured orientation and familiarisation programme through various reports/codes/ internal policies for all the Directors with a view to update them on the Company's policies and procedures on a regular basis. Periodic presentations were made at the Board Meetings on business and performance, long term strategy and initiatives taken. The details of familiarisation programme done for the financial year 2015-16 have been hosted in the website of the Company under the web link <http://www.dragarwal.com/pdf/financials/DAEHL%20Familiarization%20of%20Independent%20Directors.pdf>

3.6 Stakeholders Relationship Committee

The Stakeholders Relationship Committee was constituted in compliance with the requirements of the Listing Agreement and Section 178 of the Companies Act, 2013.

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 31st March 2016 no shares / debentures are pending for transfer for more than 15 days.

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 2016, 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.

Composition

The Committee consists of 3 directors. Among the three members of the Committee, two are Independent.

- Mr. M.R.G Apparao - Chairman
CA Sanjay Anand - Member
Dr. Anosh Agarwal - Member

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

Mr. S Ramanujam, Company Secretary is the Compliance Officer.

The Company is in compliance with the SCORES, which has initiated by SEBI for processing the investor complaints in a centralized web based redress system and online redressal of all the shareholders complaints.

There were no outstanding complaints as on 31/03/2016.

4. GENERAL BODY MEETINGS:**I. Meeting Details:**

Year	Location	Date	Time	Number of Special Resolution passed
2012-13	Registered Office - 19, Cathedral Road, Chennai-600 086	13.08.2013	11:00 A.M	Four
2013-14	Registered Office - 19, Cathedral Road, Chennai-600 086	09.09.2014	11:00 A.M	Four
2014-15	19, Cathedral Road, Chennai-600 086	10.09.2015	11:00 A.M	NIL

II. Postal Ballot:

No special resolutions were passed in the year 2015-2016 through Postal Ballot

5. 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 Whistle Blower Policy/Vigil Mechanism:

The Company has adopted Whistle Blower Policy where it has a mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct / Business Ethics. No personnel have been denied access to the Audit Committee.

IV. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

During the year, the Company has fully complied with the mandatory requirements of the Listing Regulations to the extent applicable.

6. CEO/CFO CERTIFICATION:

The Chairman Cum Managing Director and Chief Financial Officer of the Company give annual Compliance Certificate in accordance with Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The annual Compliance Certificate given by Chairman Cum Managing Director and Chief Financial Officer forms part of the Annual Report.

7. MEANS OF COMMUNICATION:

The quarterly / half-yearly / annual financial results are published in News Today (English Daily) and Makkal Kural (Tamil Daily). The financial results are placed on the Company's website www.dragarwal.com

8. GENERAL SHAREHOLDER INFORMATION:**I. 22nd Annual General Meeting:**

The 22nd Annual General Meeting will be held on Tuesday August 23rd 2016 at 19, Cathedral Road, Chennai - 600 086. The financial year pertains to 1st April 2015 to 31st March 2016.

II. Tentative Financial Reporting Calendar (2016-2017):

Financial Reporting 2016-17	From	To	Date
1st Quarter	April	June	On or before August 14, 2016
2nd Quarter	July	September	On or before November 14, 2016
3rd Quarter	October	December	On or before February 14, 2017
4th Quarter	January	March	On or before May 30, 2017
Annual General Meeting	April 2016	March 2017	On or before September 30, 2017

III. Book Closure:

The date of book closure is from August 17th 2016 to August 23rd 2016 (inclusive of both days).

IV. Dividend Payment Date:

The dividend, as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting will be paid within twenty days from the date of the Annual General Meeting.

V. Stock Exchange Listing and Stock Code:

Stock Exchange	Stock Code	Listing Fees Paid upto	ISIN No.
Bombay Stock Exchange	526783	31-03-2017	INE934C01018

VI. Market price data:

High and low prices of Equity shares in the financial year 2015-16 were as follows:

Month	Bombay Stock Exchange	
	High (₹.)	Low (₹.)
April 2015	153.90	108.80
May 2015	146.00	115.00
June 2015	142.50	113.00
July 2015	165.30	116.30
August 2015	157.00	131.00
September 2015	152.90	118.80
October 2015	159.90	127.60
November 2015	169.00	140.00
December 2015	217.70	169.80
January 2016	232.60	188.50
February 2016	240.00	179.60
March 2016	196.30	171.00

VII. Registrar and Transfer Agents:

INTEGRATED ENTERPRISES (INDIA) LIMITED
 2nd Floor, "Kences Towers" No.1, Ramakrishna Street
 North Usman Road, T. Nagar, Chennai- 600 017
 Phone: 044 28140801, 28140803
 Fax: 044- 28143378, 28142479
 Email: corpserve@integratedindia.in

VIII. Share Transfer System:

The Share Transfer work is being handled by Company's Registrar and Transfer Agents. Share transfers are processed and share certificates duly endorsed are returned within the stipulated period as specified under the Companies Act, 2013 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 / Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements Regulations) Regulations 2015 and files a copy of the said certificate with the Stock Exchange.

IX. Equity Shares in Suspense Account:

As per Regulation 39(4) read with Schedule VI of the SEBI (Listing Obligations and Disclosure Requirements Regulations), 2015, 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, 2015	6	4,000
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, 2016	6	4,000

The voting rights of the shares outstanding in the Suspense Account as on March 31, 2016 shall remain frozen till the rightful owner of such shares claims the shares.

X. Distribution of Shareholding:

As on 31st March, 2016

Category	Number of Shares held	% of holding
1. Promoters		
-Indian	35,18,208	74.86
-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. FIs	- NIL -	- NIL -
4. Others		
-Bodies Corporate	1,03,989	2.21
-Indian Public	10,48,215	22.30
-NRIs / OCBs	22,862	0.49
-LLP	800	0.02
-Other than specified above Clearing Members	5,926	0.12
Total	47,00,000	100
Paid-up Shares	47,00,000	100

XI. Distribution Schedule:As on 31st March, 2016

Sl. No.	Category of Shares	Holders		Shares	
		Nos.	%	Nos.	%
1	1 – 500	2,562	90.66	2,72,288	5.79
2	501 - 1000	112	3.96	90,240	1.92
3	1001 - 2000	59	2.09	92,353	1.97
4	2001 - 3000	25	0.88	62,672	1.33
5	3001 - 4000	16	0.57	56,423	1.20
6	4001 - 5000	15	0.53	72,073	1.53
7	5001 - 10000	18	0.64	1,45,093	3.09
8	10001 and above	19	0.67	39,08,858	83.17
	Total	2,826	100.00	47,00,000	100.00

XII. Address for CorrespondenceRegistered Office :3rd floor, Buhari Towers, No.4, Moores Road, Off Greaves Road, Chennai – 600 006.**XIII. Dematerialisation of Shares and Liquidity**

The equity shares of the company are required to be compulsorily traded and settled only in the dematerialised form. Approximately, 42,69,084 being 90.83 % shares have already been dematerialised.

XIV. Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, Conversion Date and Likely Impact on Equity

As on date, the Company has not issued GDRs, ADRs or any other Convertible Instruments and as such, there is no impact on the equity share capital of the Company.

For and on behalf of the Board

Sd/-

Place: Chennai

Date : May 19, 2016

Dr. Amar Agarwal

Chairman Cum Managing Director

Annual Compliance of the Code of Conduct for the Financial Year 2015-2016

I, Dr. Amar Agarwal, Chairman cum Managing Director of the Company, hereby declare that the Board of Directors have laid down a code of conduct for its Board Members and Senior Management Personnel of the Company pursuant to the Schedule V (Part D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, have affirmed compliance with the said code of conduct.

For and on behalf of the Board

Sd/-

Place: Chennai

Date: May 19, 2016

Dr. Amar Agarwal

Chairman Cum Managing Director

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

(Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015)

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 31/03/2016 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) that there are no significant changes in internal control over financial reporting during the year;
 - (ii) that there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) that there are no 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
Chairman cum Managing Director

Sd/-

Mr. R. Sabesan
Chief Financial Officer

Place: Chennai

Date : May 19, 2016



Relocation of Vellore Hospital May 2015



Relocation of Jaipur Hospital October 2015



Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31/03/2016

Of

DR. AGARWAL'S EYE HOSPITAL LIMITED

[Pursuant to Section 92(3) of the Companies Act, 2013

And

Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN:	L85110TN1994PLC027366
ii.	Registration Date [DDMMYY]	22/04/1994
iii.	Name of the Company	DR. AGARWAL'S EYE HOSPITAL LIMITED
iv.	Category / Sub-category of the Company	1. Public Company 2. Limited by shares
v.	Address of the Registered office and contact details	3rd Floor, Buhari Towers, No.4, Moores Road, Off Greams Road, Chennai – 600006 ,Tamilnadu Tel: 91-44-39916669 Fax: 91-44-39916645 cfo@dragarwal.com
vi.	Whether listed company Yes /No	Yes (Listed in BSE only)
vii.	Name and Address of Registrar & Transfer Agents (RTA)	
	Registrar & Transfer Agents (RTA):-	Integrated Enterprises (India) Ltd.
	Address	2nd floor, Kences Towers, No.1 Ramakrishna Street, North Usman Road, T Nagar
	Town / City	Chennai
	State	Tamilnadu
	Pin Code:	600 017
	Telephone (With STD Area Code Number)	044 - 2814 0801 / 03
	Fax Number :	044 - 2814 2479

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Hospital & Health related services, nursing homes, clinics, medical, research and other institutions and establishments for eye care and treatment, other health care facilities.	85110	80.28
2	Hospital Related Trading and other Activities	47721	19.72

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of Shares held	Applicable Section
1	Dr. Agarwal' s Health Care Ltd	U85100TN2010PLC075403	Holding	71.75	2(46) of the Companies Act, 2013

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1 st April -2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters	-	-	-	-	-	-	-	-	-
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	-	145,800	145,800	3.10	-	145,800	145,800	3.10	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	3,372,408	-	3,372,408	71.75	3,372,408	-	3,372,408	71.75	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	3,372,408	145,800	3,518,208	74.85	3,372,408	145,800	3,518,208	74.85	-
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(1):-	-	-	-	-	-	-	-	-	-
2.Non-Institutions									

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1 st April -2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	98,720	7,500	106,220	2.26	96,489	7,500	103,989	2.21	(0.05)
ii) Overseas	-	17,300	17,300	0.37	-	17,300	17,300	0.37	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	518,573	264,616	783,189	16.66	491,758	260,316	752,074	16.00	(0.66)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	265,720	-	265,720	5.65	296,141	-	296,141	6.30	0.65
c) Others- Unclaimed Securities Suspense account	4,000	-	4,000	0.09	4,000	-	4,000	0.09	-
Non Resident Indians	5,058	-	5,058	0.11	5,562	-	5,562	0.12	0.01
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	305	-	305	0.01	1,926	-	1,926	0.04	0.03
Trusts									
Limited liability partnership	-	-	-	-	800	-	800	0.02	0.02
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	892,376	289,416	1,181,792	25.14	896,676	285,116	1,181,792	25.14	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	892,376	289,416	1,181,792	25.14	896,676	285,116	1,181,792	25.14	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	4,264,784	4,35,216	4,700,000	100.00	4,269,084	430,916	4,700,000	100	(0.00)

ii. Shareholding of Promoter-

Sl No.	Shareholder's Name	Shareholding at the beginning of the year(31/03/2015)			Share holding at the end of the year(31/03/2016)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Dr. Sunita Agarwal	1,45,700	3.10	0.00	1,45,700	3.10	0.00	0.00
2	Pankaj Sondhi	100	0.00	0.00	100	0.00	0.00	0.00
3	Dr. Agarwal's Health Care Limited	33,72,408	71.75	28.72	33,72,408	71.75	28.72	0.00
	Total	35,18,208	74.86	28.72	35,18,208	74.86	28.72	0

iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sl No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Dr. Sunita Agarwal				
	At the beginning of the year	1,45,700	3.10	1,45,700	3.10
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	1,45,700	3.10	1,45,700	3.10
2	Pankaj Sondhi			-	-
	At the beginning of the year	100	0.00	100	0.00
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	100	0.00	100	0.00
3	Dr. Agarwal's Health Care Limited			-	-
	At the beginning of the year	33,72,408	71.75	33,72,408	71.75
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	33,72,408	71.75	33,72,408	71.75

iv. Shareholding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs):

SI No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	DINERO WEALTH ADVISORS PRIVATE LIMITED				
	At the beginning of the year	49,398	1.051	49,398	1.051
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year	49,398	1.051	49,398	1.051
2	ASHA MUKUL AGRAWAL				
	At the beginning of the year	42,729	0.909	42,729	0.909
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	17/07/2015	765	0.016	43,494	0.925
	07/08/2015	3,337	0.071	46,831	0.996
	12/02/2016	1,000	0.021	47,831	1.018
	At the end of the year	47,831	1.018	47,831	1.018
3	DIPAN MAHENDRABHAI DESAI				
	At the beginning of the year	39,595	0.842	39,595	0.842
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	30/09/2015	1,289	0.027	40,884	0.870
	09/10/2015	720	0.015	41,604	0.885
	16/10/2015	85	0.002	41,689	0.887
	23/10/2015	226	0.005	41,915	0.892
	30/10/2015	647	0.014	42,562	0.906
	08/01/2016	1,455	0.031	44,017	0.937
	15/01/2016	1,000	0.021	45,017	0.958
	25/03/2016	278	0.006	45,295	0.964
	31/03/2016	160	0.003	45,455	0.967
	At the end of the year	45,455	0.967	45,455	0.967
4	P SRIDHAR				
	At the beginning of the year	37,325	0.794	37,325	0.794

Sl No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	27/11/2015	1000	0.021	38,325	0.815
	At the end of the year	38,325	0.815	38,325	0.815
5	MUKESH KANOOGA S				
	At the beginning of the year	30,763	0.655	30,763	0.655
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	24/04/2015	-900	-0.019	29,863	0.635
	24/07/2015	-550	-0.012	29,313	0.624
	16/10/2015	51	0.001	29,364	0.625
	23/10/2015	-10	0.000	29,354	0.625
	06/11/2015	-80	-0.002	29,274	0.623
	25/12/2015	-620	-0.013	28,654	0.610
	08/01/2016	-3,176	-0.068	25,478	0.542
	15/01/2016	-472	-0.010	25,006	0.532
	At the end of the year	25,006	0.532	25,006	0.532
6	MIHIR JANAK JESRANI				
	At the beginning of the year	30,174	0.642	30,174	0.642
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	24/04/2015	217	0.005	30,391	0.647
	08/05/2015	109	0.002	30,500	0.649
	15/05/2015	1,338	0.028	31,838	0.677
	05/06/2015	162	0.003	32,000	0.681
	24/07/2015	1,299	0.028	33,299	0.708
	31/07/2015	109	0.002	33,408	0.711
	06/11/2015	2,700	0.057	36,108	0.768
	20/11/2015	1	0.000	36,109	0.768
	04/03/2016	4,391	0.093	40,500	0.862
	At the end of the year	40,500	0.862	40,500	0.862
7	S BRINDA				

SI No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	28,757	0.612	28,757	0.612
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	08/01/2016	-25	-0.001	28,732	0.611
	At the end of the year	28,732	0.611	28,732	0.611
8	ARIHANTS SECURITIES LIMITED				
	At the beginning of the year	23,643	0.503	23,643	0.503
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	23,643	0.503	23,643	0.503
9	PARAS KANOOGA M				
	At the beginning of the year	22,627	0.481	22,627	0.481
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year	22,627	0.481	22,627	0.481
10	GLOBAL PRESENCE HOLDINGS LIMITED				
	At the beginning of the year	17,300	0.368	17,300	0.368
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	17,300	0.368	17,300	0.368

v. Shareholding of Directors and Key Managerial Personnel:

SI No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Dr. Amar Agarwal, Chairman Cum Managing Director				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
2	Dr. Athiya Agarwal, Wholetime Director				

SI No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
3	Dr. Adil Agarwal, Wholetime Director (upto 30.04.2016)				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
4	Dr. Anosh Agarwal, Wholetime Director (upto 30.04.2016)				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
5	Mr. M.R.G. Apparao,Independent Director				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
6	CA Sanjay Anand, Independent Director				
	At the beginning of the year	12,603	0.268	12,603	0.268
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	12,603	0.268	12,603	0.268
7	S.Ramanujam, Company Secretary				
	At the beginning of the year	10,000	0.21	10,000	0.21
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	10,000	0.21	10,000	0.21
8	R. Sabesan, CFO				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-

Dr. AGARWAL'S EYE HOSPITAL LIMITED

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	18,81,73,753	-	-	18,81,73,753
ii) Interest due but not paid		-	-	
iii) Interest accrued but not due	15,58,000	-	-	1,558,000
Total (i+ii+iii)	18,97,31,753	-	-	18,97,31,753
Change in Indebtedness during the financial year				
Addition	11,16,50,000	-	-	11,16,50,000
Reduction	506,19,654	-	-	5,06,19,654
Net Change	6,10,30,346	-	-	6,10,30,346
Indebtedness at the end of the financial year				
i) Principal Amount	24,92,04,100	-	-	24,92,04,100
ii) Interest due but not paid		-	-	
iii) Interest accrued but not due	25,31,294	-	-	25,31,294
Total (i+ii+iii)	25,17,35,393	-	-	25,17,35,393

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

(in ₹)

SI No.	Particulars of Remuneration	Name of MD/WT/ Manager				Total Amount
		Dr Amar Agarwal	Dr. Athiya Agarwal	Dr. Adil Agarwal	Dr. Anosh Agarwal	
	Gross salary					
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36,00,000	36,00,000	36,00,000	36,00,000	1,44,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	36,00,000	36,00,000	36,00,000	36,00,000	1,44,00,000
	Ceiling as per the Act	84,00,000	84,00,000	84,00,000	84,00,000	3,36,00,000

B. Remuneration to Other Directors (exclusive of tax)

(In ₹)

SI No.	Particulars of Remuneration	Name of Directors		
		Mr. M.R.G. Apparao	CA Sanjay Anand	Total
1	Independent Directors	-	-	-
	Fee for attending board committee meetings	25,000	25,000	50,000
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (1)	25,000	25,000	50,000
2	Other Non-Executive Directors			
	Fee for attending board committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (2)	-	-	-
	Total (B)=(1+2)	25,000	25,000	50,000
	Total Managerial Remuneration	25,000	25,000	50,000
	Overall Ceiling as per the Act	11,00,000	11,00,000	22,00,000

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(In ₹)

SI No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	37,38,600	30,38,004	67,76,004
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	37,38,600	30,38,004	67,76,004

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/punishments/compounding of offences for the year ended March 31, 2016.

The information required under Section 197 of the Companies Act, 2013 and rules made there-under in respect of the company is as follows:-

Particulars of Remuneration

1. Ratio of the remuneration of each director to the median remuneration;

Director	Ratio
Dr. Amar Agarwal	1.56
Dr. Athiya Agarwal	1.56
Dr. Adil Agarwal	1.56
Dr. Anosh Agarwal	1.56

2. Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Director	% Increase
Dr. Amar Agarwal	NIL
Dr. Athiya Agarwal	NIL
Dr. Adil Agarwal	NIL
Dr. Anosh Agarwal	NIL
Key Managerial Personnel (KMP)	
Mr. S. Ramanujam - Company Secretary	5.56%
Mr. R. Sabesan- Chief Financial Officer	11.69%

3. The percentage increase in the median remuneration of employees in the financial year:- 5.18%

4. The number of permanent employees on the rolls of company:- 957

5. The explanation on the relationship between average increase in remuneration and company performance:

On an average, employees received an average remuneration increase around 5% which reflects the company's performance. The increase in remuneration is in line with the market trends.

6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;

Particulars	₹ In lakhs
Remuneration of Key Managerial Personnel (KMP) during financial year 2015-16 (aggregated)	67.76
Revenue from operations	13,655.89
Remuneration (as % of revenue)	0.50
Profit / (Loss) before tax (PBT)	(48.15)
Remuneration (as % of PBT)	-

7. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year;

Particulars	Unit	As at 31st March 2016	As at 31st March 2015	Variation
Closing rate of share at BSE	(₹)	195.00	125.00	56%
EPS	(₹)	0.08	12.12	(99 %)
Market Capitalization	(₹ In Lakhs)	9,165	5,875	56 %
Price Earnings ratio	Ratio	2437	10.31	2353

Percentage in bracket represents negative percentage.

8. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof;

Refer point 5

9. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;

Particulars	Chief Financial Officer (₹ in lacs)	Company Secretary (₹ in lacs)
Remuneration	30.38	37.38
Revenue	13,655	13,655
Remuneration (as % of revenue)	0.22	0.27
Profits / (loss) before tax (PBT)	(48.13)	(48.13)
Remuneration (as % of PBT)	-	-

10. The key parameters for any variable component of remuneration availed by the director

Not Applicable

11. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

Name of the Employee	Designation	Ratio
Mr. V. Suresh	Chief Operating Officer (COO)	0.47
Mr. V. Jagannathan	President	0.55
Mr. Harish Ramanan	Head- Business Finance	0.95
Mr. S. Ramanujam	Company Secretary	0.96

12. Affirmation that the remuneration is as per the remuneration policy of the company:

The Company's remuneration policy is driven by the success and performance of the individual employees and the Company. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process. The Company affirms remuneration is as per the remuneration policy of the Company.

Dr. AGARWAL'S EYE HOSPITAL LIMITED

Statement pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forming part of the Directors' Report for the year ended March 31, 2016;

(a) Personnel who are in receipt of remuneration aggregating not less than ₹ 60,00,000 per annum and employed throughout the financial year:

Name	Designation	Remuneration (₹)	Nature of employment	Qualification	Experience	Date of Commencement of employment	Age	Previous employment	%of shares held in the Company	Whether Related to any Director
V.Suresh	Chief Operating Officer	75,22,099	Permanent	MA, MBA PGDHM, PGDCA	30	01.02.2006	50	Asst General Manager	0.28%	No
V.Jaganathan	President	65,90,640	Permanent	BSc, MBA PGDM,	35	02.12.2013	55	GM, Spencer & Company Limited	Nil	No

(b) Personnel who are in receipt of remuneration aggregating not less than ₹ 5,00,000 per month and employed for part of the Financial Year:- NIL

Form No. MR – 3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31/03/2016**

*(Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014*

To

The Members,

DR. AGARWAL'S EYE HOSPITAL LIMITED

CIN No: L85110TN1994PLC027366

3rd Floor, Buhari Towers, No.4, Moores Road,

Off Greaves Road, Chennai-600 006

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Dr. Agarwal's Eye Hospital Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts with statutory compliances and expressing our opinion thereon.

Based on our verification of the company books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31/03/2016 complied with the statutory provisions listed hereunder i.e

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations 1992
 - b) The Securities and Exchange Board (Prohibition of Insider Trading) Regulations 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 as applicable from time to time

We have also examined the compliance of the applicable clauses of Secretarial Standard with respect to board meetings and General meetings as prescribed by the Institute of Company Secretaries of India which came in to effect from 01/07/2015 and the listing agreement entered by the company with BSE Ltd under SEBI (listing and disclosure requirements) regulations 2015 which came in to effect from 01/12/2015.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by ("the Company") for the financial year ended on 31/03/2016 according to the provisions of the Companies Act, 2013 (the Act) and the rules made thereunder;

During the period under review the Company has complied with the provisions of the Companies Act, Rules, Regulations, Guidelines, Standards, etc. and the Secretarial Standards issued by The Institute of Company Secretaries of India, as applicable during the year.

We further report that Based on the information provided by the Company, its officers and authorised representatives during the conduct of audit and also on the review of compliance report by respective department heads, in our opinion, there are adequate systems, processes and control mechanism exists in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable general laws like labour & employment laws, industrial laws, environmental laws and other general laws and, rules, regulations and guidelines made .

Dr. AGARWAL'S EYE HOSPITAL LIMITED

We further report that the compliance of by the Company of other applicable laws like direct and indirect tax laws has not been reviewed in this audit since the same have been subject to review by statutory financial audit and other designated professional.

We further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

We further report that Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes recorded and signed by the chairman, the decisions of the board were unanimous and no dissenting views are captured have recorded as part of the minutes wherever applicable.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no incidence / events / actions having a major bearing on the Company's affairs in pursuance of the various laws, rules, regulations, guidelines, standards, etc. referred to above

Place: Chennai

Date : May 19, 2016

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

sd/-

(N.K.BHANSALI)

Proprietor

C.P No: 2321

FCS No. 3942

ANNEXURE IV

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1	A Brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs		1. The Company is committed to conduct its business in a socially responsible, ethical and environmentally friendly manner and to continuously work towards improving quality of life of the communities in its operational areas. 2. In line with its broad principles and radical outlook the Company would have freedom and flexibility to choose from any of the activities specified in schedule VII of Companies Act, 2013, as amended from time to time 3. As per the Companies Act 2013, Dr Agarwal's Eye Hospital Ltd (The Company) has a policy of Corporate Social Responsibility (hereinafter referred as CSR) whereby it is mandatory to spend atleast 2% of average net profits of the immediately preceding 3 financial years on "CSR" activities. CSR activities at the Company are carried out through- a. Directly by the Company for fulfilling its responsibilities towards various stakeholders b. Contribution / donation made to such other Organization / Institutions as may be permitted under the applicable laws from time to time. The Company has formulated a CSR policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website and the web link for the same is www.dragarwal.com/corporate_policies.php				
2	The Composition of the CSR Committee		1. Dr Athiya Agarwal - Chairman 2. CA Sanjay Anand - Member 3. Dr. Adil Agarwal - Member 4. Dr. Anosh Agarwal - Member				
3	Average net profits of the Company for last three financial years		₹ 4.50 Crores				
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above (Amount in lacs)		₹ 9 lacs				
5	Amount unspent carried forward of the Financial year 2014-15		Not Applicable				
6	Details of CSR spent during the financial year: a) Total Amount to be spent for the financial year b) Amount unspent, if any; c) Manner in which the amount spent during the financial year		a) ₹ 10 lacs b) NIL c) The manner in which the amount is spent is detailed below.				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct Expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct
1	Contribution to Prime Minister's National Relief Fund	Union of India.	Relief from riots, flood, drought, earthquake, cyclone, tsunami etc.	₹ 9 Lacs	₹ 10 Lacs	₹ 10 Lacs	₹ 10 Lacs
	TOTAL			₹ 9 Lacs	₹ 10 Lacs	₹ 10 Lacs	₹ 10 Lacs

Dr. AGARWAL'S EYE HOSPITAL LIMITED

7. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report :-

Not Applicable since the Company has spent more than the required amount as per section 135 of the Companies Act, 2013

Responsibility statement of the CSR committee

8. The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and policy of the company.

Place: Chennai
Date : May 19, 2016

sd/-
Dr. Amar Agarwal
Chairman Cum Managing Director

sd/-
Dr. (Mrs). Athiya Agarwal
(Chairman CSR Committee)

INDEPENDENT AUDITOR'S 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** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii) The amounts which were required to be transferred to the Investor Education and Protection Fund have been transferred by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

Date : May 19, 2016
Place: Chennai

sd/-
Sriraman Parthasarathy
Partner
Membership No. 206834

ANNEXURE “A” TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **DR. AGARWAL'S EYE HOSPITAL LIMITED** (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally

Dr. AGARWAL'S EYE HOSPITAL LIMITED

accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

sd/-
Sriraman Parthasarathy
Partner
Membership No. 206834

Date : May 19, 2016
Place: Chennai

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of fixed assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i) (c) of the CARO 2016 is not applicable.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals. Discrepancies noticed on physical verification during the year have been properly dealt with in the books of account.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us in respect of statutory dues;
- The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities during the year except for certain delays in remittance of Service Tax and Tax Deducted at Source.
 - There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
 - Details of Value Added Tax and Income Tax, which have not been deposited as at March 31, 2016 on account of disputes are given below:

Name of the Statute	Nature of dues	Forum where Dispute is pending	Period to which the Amount Relates (Financial Year)	Amount Involved (₹ In Lakhs)	Amount Unpaid (₹ In Lakhs)
Rajasthan Value Added Tax, 2003	Value Added Tax	Commissioner, Commercial Taxes, Jaipur	2010-11	6.78	20.50
			2011-12	6.08	
			2012-13	17.73	
Income Tax Act, 1961	Income Tax	Deputy Commissioner, Income Tax	2009-10	55.10	90.64
		Commissioner of Income Tax (Appeals)	2010-11	35.54	

Dr. AGARWAL'S EYE HOSPITAL LIMITED

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds. Further, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

sd/-
Sriraman Parthasarathy
Partner
Membership No. 206834

Date : May 19, 2016
Place: Chennai

BALANCE SHEET AS AT MARCH 31, 2016

Particulars	Note No.	As at March 31, 2016 ₹ In Lakhs	As at March 31, 2015 ₹ In Lakhs
A EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	470.00	470.00
(b) Reserves and Surplus	4	1,872.11	1,906.00
		<u>2,342.11</u>	<u>2,376.00</u>
2 Non-Current Liabilities			
(a) Long-Term Borrowings	5	1,778.35	1,481.91
(b) Other Long-Term Liabilities	6	142.62	-
		<u>1,920.97</u>	<u>1,481.91</u>
3 Current Liabilities			
(a) Short-Term Borrowings	7	628.70	830.59
(b) Trade Payables	8	-	-
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,825.99	1,568.84
(c) Other Current Liabilities	9	1,044.58	593.83
(d) Short-Term Provisions	10	109.27	84.51
		<u>3,608.54</u>	<u>3,077.77</u>
TOTAL		<u>7,871.62</u>	<u>6,935.68</u>
B ASSETS			
1 Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11.A	3,390.62	2,586.58
(ii) Intangible Assets	11.B	12.33	62.63
(iii) Capital Work-In-Progress		76.20	28.04
		<u>3,479.15</u>	<u>2,677.25</u>
(b) Deferred Tax Assets (Net)	12	491.96	231.95
(c) Long-Term Loans and Advances	13	1,524.88	1,759.66
		<u>5,495.99</u>	<u>4,668.86</u>
2 Current Assets			
(a) Inventories	14	986.60	1,038.47
(b) Trade Receivables	15	907.02	605.08
(c) Cash and Bank Balances	16	242.23	189.04
(d) Short-Term Loans and Advances	17	142.74	65.27
(e) Other Current Assets	18	97.04	368.96
		<u>2,375.63</u>	<u>2,266.82</u>
TOTAL		<u>7,871.62</u>	<u>6,935.68</u>

See accompanying notes forming part of the Financial Statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

sd/-
Sriraman Parthasarathy
Partner

Place : Chennai
Date : May 19, 2016

For and behalf of the Board of Directors

sd/-
Dr. Amar Agarwal
Chairman cum Managing Director

sd/-
Mr. R. Sabesan
Chief Financial Officer

sd/-
Dr. Anosh Agarwal
Director

sd/-
Mr. S. Ramanujam
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

Particulars	Note No.	For the year ended March 31, 2016 ₹ In Lakhs	For the year ended March 31, 2015 ₹ In Lakhs
A INCOME			
(a) Revenue from Operations	19	13,655.89	11,815.19
(b) Other Income	20	27.83	22.31
TOTAL (A)		13,683.72	11,837.50
B EXPENSES			
(a) Purchases of Stock-in-Trade	21	1,778.04	1,607.14
(b) Changes in Inventories of Stock-in-Trade	22	18.96	(13.96)
(c) Employee Benefits Expense	23	2,926.14	2,318.10
(d) Finance Costs	24	374.36	320.85
(e) Depreciation and Amortisation Expense	11	852.62	615.60
(f) Other Expenses	25	7,239.32	6,357.96
(g) Prior Period Items (Net)	26	542.43	95.55
TOTAL (B)		13,731.87	11,301.24
(Loss) / Profit Before Tax (A) - (B)		(48.15)	536.26
Tax Expenses / (Credit):			
(a) Current Tax		200.50	230.33
(b) Deferred Tax		(252.32)	(263.87)
Net Tax Expense / (Credit)		(51.82)	(33.54)
Profit for the Year		3.67	569.80
Earnings per Equity Share of Rs. 10 each (face value)	40		
(a) Basic		0.08	12.12
(b) Diluted		0.08	12.12

See accompanying notes forming part of the Financial Statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

sd/-
Sriraman Parthasarathy
Partner

Place : Chennai
Date : May 19, 2016

For and behalf of the Board of Directors

sd/-
Dr. Amar Agarwal
Chairman cum Managing Director

sd/-
Mr. R. Sabesan
Chief Financial Officer

sd/-
Dr. Anosh Agarwal
Director

sd/-
Mr. S. Ramanujam
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

Particulars	For the year ended March 31, 2016 ₹ In Lakhs	For the year ended March 31, 2015 ₹ In Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / Profit Before Tax	(48.15)	536.26
<i>Adjustments for:</i>		
Depreciation and Amortisation Expense	1,138.11	615.60
Finance Costs	374.36	320.85
Interest Income on Deposits with Banks	(4.05)	(6.22)
Dividend Income	-	(0.38)
Profit on Sale of Assets	(3.26)	(2.21)
Provision for Doubtful Trade Receivables	(7.09)	70.97
Provision for Contingencies	9.62	-
Operating Profit before Changes in Working Capital / Other Changes	1,459.54	1,534.87
<i>Changes in Working Capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	51.87	(258.29)
Trade Receivables	(294.85)	(89.77)
Long-Term Loans and Advances	24.95	337.47
Short-Term Loans and Advances	(77.47)	66.14
Other Current Assets	298.01	60.65
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Other Long Term Liabilities	142.62	-
Trade Payables	257.15	453.74
Other Current Liabilities	107.38	(537.68)
Short-Term Provisions	37.57	36.35
Cash Flow From Operations	2,006.77	1603.48
Direct Taxes Paid	(270.73)	(231.07)
Net Cash Flow From Operations (A)	1,736.04	1372.41
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital Expenditure on Fixed Assets	(1,667.51)	(1,081.42)
Proceeds from Sale of Fixed Assets	7.23	15.98
Interest Received on Bank Deposits	1.25	4.70
Dividend Received	-	0.38
Proceeds from Sale of Investments	-	3.19
Balances with Banks not Considered as Cash / Cash Equivalents (Refer Note (i) below)	(12.32)	49.47
Net Cash Flow Used in Investing Activities (B)	(1,671.35)	(1,007.70)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

Particulars	For the year ended March 31, 2016 ₹ In Lakhs	For the year ended March 31, 2015 ₹ In Lakhs
C. CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Borrowings Taken	1,116.50	0.00
Long Term Borrowings Repaid	(506.19)	(7.36)
Short Term Borrowings Repaid (Net)	(201.89)	(66.18)
Dividend Paid (including tax thereon)	(67.61)	(66.96)
Finance Costs Paid	(364.63)	(323.95)
Net Cash Flow Used in Financing Activities (C)	(23.82)	(464.45)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	40.87	(99.74)
Cash and Cash Equivalents at the Beginning of the Year	145.46	245.20
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	186.33	145.46
Notes:		
(i) The reconciliation to the Cash and Bank Balances as given in Note 16 is as follows:		
Cash and Bank Balances as per Note 16	242.23	189.04
Less: Lien Marked Deposits	47.00	34.75
Less: Earmarked Bank Balances (Unpaid dividend Accounts)	8.90	8.83
Cash and Cash Equivalents as at the End of the Year	186.33	145.46

See accompanying notes forming part of the Financial Statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

sd/-
Sriraman Parthasarathy
Partner

Place : Chennai
Date : May 19, 2016

For and behalf of the Board of Directors

sd/-
Dr. Amar Agarwal
Chairman cum Managing Director

sd/-
Mr. R. Sabesan
Chief Financial Officer

sd/-
Dr. Anosh Agarwal
Director

sd/-
Mr. S. Ramanujam
Company Secretary

Notes forming part of the Financial Statements for the Year Ended March 31, 2016**1 Corporate Information**

Dr. Agarwal's Eye Hospital Limited ('the Company') was incorporated on April 22, 1994 and is primarily engaged in providing eye care and related services. As at March 31, 2016, the Company is operating in 22 locations in India.

2 Significant Accounting Policies**2.1 Basis of Preparation of Financial Statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting year. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Estimates and underlying assumptions are reviewed on an ongoing basis. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Cash and Cash Equivalents (For the purpose of Cash Flow Statement)

Cash comprises cash on hand, cheques and demand drafts on hand, balances with banks in current accounts / demand deposits. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition).

2.4 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.5 Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Cost includes taxes, duties, freight, incidental expenses related to the acquisition and installation of the assets concerned and is net of Value Added Tax (VAT), wherever the credit is availed. Borrowing costs paid during the period of construction in respect of borrowed funds pertaining to construction / acquisition of qualifying fixed assets is adjusted to the carrying cost of the underlying fixed asset.

Revenue expenses incurred in connection with projects under implementation insofar as such expenses relate to the period prior to the commencement of commercial operations / capitalisation are treated as part of Pre-operative Expenses, under Capital Work in Progress, until capitalisation.

Any part or components of fixed assets which are separately identifiable and expected to have a useful life which is different from that of the main assets are capitalized separately, based on the technical assessment of the Management.

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest. Advances paid towards acquisition of fixed assets are included under long term loans and advances.

Notes forming part of the Financial Statements for the Year Ended March 31, 2016 (Contd)

2.6 Depreciation and Amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the written down value method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Improvements to Leasehold Premises is amortised over the remaining primary lease period.

Software is amortised on a straight line basis over the license period or three years, whichever is lower. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

The acquired goodwill is tested for impairment and the impairment charge, if any, determined based on the same is provided for in the financial statements.

Assets individually costing ₹ 5,000/- or less are depreciated based on the useful life considered by the Company for the respective category of assets.

Depreciation is accelerated on fixed assets, based on their condition, usability etc., as per the estimates of the Management, where necessary.

2.7 Investments

Investments are classified as long term or current based on their nature and intended holding period. Long term investments are carried at cost. Provision for diminution is made to recognize a diminution, other than temporary, in the value of long term investments. Current investments are valued at lower of cost and fair value (net asset value in the case of units of Mutual Funds).

2.8 Inventories

Inventory of Traded Goods comprising Opticals, Pharmaceutical Products, Contact Lenses and Accessories, Consumables and Provisions - Food Items are valued at lower of cost ascertained using the First-in-First-out method and net realisable value. Cost includes freight, taxes, duties and other charges incurred for bringing the goods to the present location and condition and are net of VAT credit, where applicable.

Due allowance is estimated and made for unusable/ non-saleable / expired items of inventory wherever necessary, based on the past experience of the Company and such allowances are adjusted against the inventory carrying value.

2.9 Revenue Recognition

Revenue is recognised on accrual basis as and when products are sold or services are rendered, to the extent there is no uncertainty in ultimate realisation. Sales and Service Income exclude Value Added Tax (VAT) / Service Tax and are net of trade / volume discounts, where applicable.

Sale of products comprises Sale of Optical Frames and Lens, Pharmaceutical Products, Contact Lens and related accessories and food items is recognised on delivery of items to the customers and where the risks and rewards are passed on to the customers.

Sale of services comprises Income from Consultation, Surgeries, Treatments and Investigations performed are recognised on rendering the related services.

Interest income is recognized on a time proportion basis taking into account the principal amount outstanding and the interest rate.

Dividend Income is accounted for when right to receive it is established.

2.10 Foreign Currency Transactions

Foreign exchange transactions are accounted at the rates of exchange prevailing on the date of the transaction. Outstanding foreign currency monetary assets and liabilities are restated at year end rates. Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

2.11 Employee Benefits

Defined Contribution Plan

Contributions to Employee's Provident Fund and Pension Fund are deposited with the Government and the Company's contribution to the funds are charged to revenue and when services are rendered by the employees.

Notes forming part of the Financial Statements for the Year Ended March 31, 2016 (Contd)Defined Benefit Plan

The Company makes annual contribution to a Gratuity fund which is administered by trustees and managed by an Insurance Company. The Company accounts its liability for future gratuity benefits based on actuarial valuation carried out by an independent actuary as at the Balance Sheet date, determined every year using the Projected Unit Credit Method. Obligation under the defined benefit plan is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to prevailing market yields at the Balance Sheet date on Indian Government Bonds where the currency and terms of the Indian Government Bonds are consistent with the currency and estimated term of the defined benefit obligation. Actuarial gains / losses are recognized in the Statement of Profit and Loss in the year in which they arise.

Compensated Absences

The liability for long term compensated absences carried forward on the balance sheet date is provided for based on an actuarial valuation done by an independent actuary using the Projected Unit Credit method done at the end of each accounting year. Short term compensated absences is recognised based on the eligible leave credit on the balance sheet date, and the estimated cost is based on the terms of the employment contract.

Other Employee Benefits

Other Employee Benefits are estimated based on the terms of the employment contract.

2.12 Borrowing Costs

Borrowing costs include interest and amortisation of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.13 Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/(loss) amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue, where applicable, is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

2.14 Leases

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance lease. Such leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term.

Notes forming part of the Financial Statements for the Year Ended March 31, 2016 (Contd)

2.15 Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) attributable to equity shareholders by the weighted average number of equity shares outstanding during the year / period. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share or increase the net loss per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.16 Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

2.17 Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment of the carrying amount of the assets. If any indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognized whenever the carrying amount of the asset exceeds the recoverable amount. When there is an indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

2.18 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

2.19 Insurance Claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

2.20 Operating Cycle

Based on the nature of activities of the Company and the normal time between the acquisition of the assets and their realization in cash and cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Notes forming part of the Financial Statements for the Year Ended March 31, 2016 (Contd)**3. SHARE CAPITAL**

(Refer Notes (i) to (iv) below)

Particulars	As at March 31, 2016 ₹ In Lakhs	As at March 31, 2015 ₹ In Lakhs
(a) Authorised		
20,000,000 Equity shares of ₹ 10/- each	2,000.00	2,000.00
	2,000.00	2,000.00
(b) Issued, Subscribed and Fully Paid Up		
4,700,000 Equity shares of ₹ 10/- each	470.00	470.00
Total	470.00	470.00

Notes :**(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period :**

Particulars	Opening Balance	Fresh issue / Bonus	Closing Balance
Equity Shares with Voting Rights			
Year Ended 31 March, 2016			
- Number of Shares	4,700,000	-	4,700,000
- Amount ₹ In Lakhs	470.00	-	470.00
Year Ended 31 March, 2015			
- Number of Shares	4,700,000	-	4,700,000
- Amount ₹ In Lakhs	470.00	-	470.00

(ii) Terms / rights attached to Equity Shares :

The Company has only one class of equity shares having a par value of ₹ 10. Each holder is entitled to one vote per equity share. Dividends are paid in Indian Rupees. Dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders at the Annual General Meeting except in case of interim dividend. Repayment of capital will be in accordance with the terms of the Articles of Association and in proportion to the number of equity shares held.

During the year ended March 31, 2016, the amount of dividend recognized as distributions to equity shareholders is ₹ 0.80 per equity share (Previous Year ₹ 1.20 per equity share).

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

Class of Shares	Number of Shares As at March 31, 2016	Number of Shares As at March 31, 2015
Equity Shares of ₹ 10/- each	3,372,408	3,372,408

Notes forming part of the Financial Statements for the Year Ended March 31, 2016 (Contd)**(iv) Details of shares held by each shareholder holding more than 5% shares:**

Class of Shares	As at March 31, 2016		As at March 31, 2015	
	Number of shares	% holding in that class of shares	Number of shares	% holding in that class of shares
Equity shares				
Dr. Agarwal's Health Care Limited	3,372,408	71.75	3,372,408	71.75

4. RESERVES AND SURPLUS

Particulars	As at March 31, 2016 ₹ In Lakhs	As at March 31, 2015 ₹ In Lakhs
(a) Securities Premium Account		
Opening Balance	551.00	551.00
Add : Premium on Shares issued during the Year	-	-
Closing Balance	551.00	551.00
(b) General Reserve		
Opening Balance	83.00	75.00
Add: Transferred from surplus in Statement of Profit and Loss	-	8.00
Closing Balance	83.00	83.00
(c) Surplus in Statement of Profit and Loss		
Opening Balance	1,272.00	801.57
Add: Profit for the Year	3.67	569.80
Less : Dividends proposed to be distributed to Equity Shareholders (Refer Notes 3(ii) and 4(ii))	(37.60)	(56.40)
Tax on Dividend	(7.65)	(11.28)
Amount Transferred to General reserve	-	(8.00)
Depreciation on transition to Schedule II of the Companies Act, 2013 on Tangible	7.69	(23.69)
Fixed Assets with Nil remaining useful life (Refer Note (i) below)		
Closing Balance	1,238.11	1,272.00
Total	1,872.11	1,906.00

Notes:

- (i) During the previous year ended March 31, 2015, pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company had fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be Nil as on April 1, 2014, and had adjusted an amount of Rs. 23.69 lakhs against the Surplus balance in the Statement of Profit and Loss under Reserves and Surplus. Further, during the current year, the Company has adjusted the deferred tax amount of Rs. 7.69 lakhs arising on account of the above depreciation as a prior period adjustment to Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.
- (ii) Dividend is proposed to be distributed out of the profits available including the balance brought forward as at April 1, 2015.

Notes forming part of the Financial Statements for the Year Ended March 31, 2016 (Contd)

5. LONG-TERM BORROWINGS

Particulars	As at March 31, 2016 ₹ In Lakhs	As at March 31, 2015 ₹ In Lakhs
Term Loan - Secured (Refer Note (i) below)		
- From Banks	1,645.28	1,285.06
- From Other Parties	133.07	196.85
Total	1,778.35	1,481.91

(i) Details of Term Loan from Banks / Others - Secured

The details of tenor, interest rate, repayment terms of the same are given below:

S.No.	Original Tenor (in Months)	Interest Rate	No. of Instalments outstanding as at March 31, 2016	Repayment Terms	Loan Amount As at March 31, 2016 ₹ In Lakhs	Loan Amount As at March 31, 2015 ₹ In Lakhs
I - Term Loans from SBI (Refer Note (i) below)						
1	64	SBI Base Rate + applicable spread	16	Principal Quarterly, Interest Quarterly	400.00	500.00
2	83		4		73.32	135.60
3	80		13		727.09	847.09
4	60		16		525.00	-
5	60		15		475.00	-
			Sub-Total		2,200.41	1,482.69
II - Vehicle Loans from HDFC Bank, ICICI Bank and Kotak Mahindra Bank (Refer Note (ii) below)						
1	36	10.42%	-	Principal Monthly, Interest Monthly	-	3.32
2	60	12.14%	24		14.06	19.92
3	36	10.56%	1		0.26	3.19
4	36	13.81%	4		1.71	6.40
5	36	14.08%	5		3.86	12.25
6	36	11.93%	5		0.53	1.70
7	36	11.93%	5		0.53	1.70
8	35	14.03%	5		1.55	4.91
9	36	14.08%	5		2.87	9.12
10	36	11.93%	5		0.53	1.70
11	36	11.93%	5		0.53	1.70
12	36	11.93%	5		0.53	1.70
13	36	10.88%	14		3.97	6.99
14	60	11.95%	24		33.06	46.86
15	36	12.99%	28		13.32	-
16	48	11.99%	29		7.20	9.65
17	36	10.24%	23		10.27	14.90
			Sub-Total		94.78	146.01

Notes forming part of the Financial Statements for the Year Ended March 31, 2016 (Contd.)

S.No.	Original Tenor (in Months)	Interest Rate	No. of Instalments outstanding as at March 31, 2016	Repayment Terms	Loan Amount As at March 31, 2016 ₹ In Lakhs	Loan Amount As at March 31, 2015 ₹ In Lakhs
III - Equipment Loans from Siemens Financials Services Private Limited (Refer Note (iii) below)						
1	48	12.75%	33	Principal Monthly, Interest Monthly	196.85	253.03
			Sub-Total		196.85	253.03
	Total				2,492.04	1,881.73
	Less : Current Maturities of Long-Term Borrowings (Refer Note 9)				(713.69)	(399.82)
	Long Term Borrowings from Banks and Others				1,778.35	1,481.91

Notes:

(i) The details of Security provided against the Term Loans are as follows:

- Extension of first charge on the entire Fixed assets of the Company and first charge on the assets to be created out of the Term Loan.
- Extension of equitable mortgage on a property owned by Orbit International.
- Pledge of 1,350,000 Shares of the Company held by Dr. Agarwal's Health Care Limited.
- Corporate Guarantee provided by Dr. Agarwal's Health Care Limited and Orbit International.
- Personal Guarantees of Dr. Amar Agarwal, Dr. Athiya Agarwal, Dr. Adil Agarwal, Dr. Anosh Agarwal, Dr. Ashar Agarwal, Dr. Ashwin Agarwal, being the promoter and relatives of the promoter.

(ii) The loans are secured by hypothecation of respective vehicles financed by the Banks.

(iii) The loans are secured by hypothecation of surgical equipments.

6. OTHER LONG-TERM LIABILITIES

Particulars	As at March 31, 2016 ₹ In Lakhs	As at March 31, 2015 ₹ In Lakhs
(a) Trade Payables - other than Acceptances (Refer Note 27)	112.50	-
(b) Gratuity Payable (Refer Note 36 (c))	30.12	-
Total	142.62	-

7. SHORT-TERM BORROWINGS

Particulars	As at March 31, 2016 ₹ In Lakhs	As at March 31, 2015 ₹ In Lakhs
(a) Loans Repayable on Demand		
(i) From Banks - Secured		
- Cash Credit Facility (Refer Notes (i) and (ii) below)	628.70	830.59
Total	628.70	830.59

Notes:

(i) The details of interest rate, repayment and other terms of the Short Term Borrowings are as follows:

Type	Name of the Party	Interest Rate	Repayment Terms	Loan Amount As at March 31, 2016 ₹ In Lakhs	Loan Amount As at March 31, 2015 ₹ In Lakhs
Cash Credit facility from Bank	SBI	11.30%	On Demand	628.70	830.59

Notes forming part of the Financial Statements for the Year Ended March 31, 2016 (Contd.)

- (ii) The Cash credit facility availed by the Company as at March 31, 2016 is secured by the following:
- Hypothecation of all the current assets of the Company.
 - Extension of equitable mortgage on a property owned by Orbit International.
 - Pledge of 1,350,000 shares of the Company held by Dr. Agarwal's Health Care Limited.
 - Corporate Guarantee provided by Dr. Agarwal's Health Care Limited and Orbit International.
 - Personal Guarantees of Dr. Amar Agarwal, Dr. Athiya Agarwal, Dr. Adil Agarwal, Dr. Anosh Agarwal, Dr. Ashar Agarwal, Dr. Ashwin Agarwal, being the promoter and relatives of the promoter.

8. TRADE PAYABLES

Particulars	As at March 31, 2016 ₹ In Lakhs	As at March 31, 2015 ₹ In Lakhs
Trade Payables :		
- Other than Acceptances (Refer Note 27)	1,825.99	1,517.66
- Payables to Related Parties (Refer Note 38(b))	-	51.18
Total	1,825.99	1,568.84

9. OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2016 ₹ In Lakhs	As at March 31, 2015 ₹ In Lakhs
(a) Payables on Purchase of Fixed Assets	70.57	50.87
(b) Current Maturities of Long-Term Borrowings		
- from Banks - Secured (Refer Note 5(i))	649.91	343.64
- from Other Parties - Secured (Refer Note 5(i))	63.78	56.18
(c) Interest Accrued But Not Due on Borrowings		
- from Banks	24.84	15.58
- from Other Parties	0.47	-
(d) Unpaid Dividends	8.90	8.83
(e) Gratuity Payable (Refer Note 36 (c))	27.22	12.39
(f) Statutory Remittances	101.12	73.64
(g) Advances from Customers	97.77	32.70
Total	1,044.58	593.83

10. SHORT-TERM PROVISIONS

Particulars	As at March 31, 2016 ₹ In Lakhs	As at March 31, 2015 ₹ In Lakhs
(a) Provision for Employee Benefits:		
(i) Provision for Compensated Absences (Refer Note 36 (b))	54.40	16.83
(b) Provision - Others:		
(i) Provision for Proposed Equity Dividend	37.60	56.40
(ii) Provision for Tax on Proposed Equity Dividend	7.65	11.28
(c) Provision for Contingencies (Refer Note 29)	9.62	-
Total	109.27	84.51

Notes forming part of the Financial Statements for the Year Ended March 31, 2016 (Contd.)

11. FIXED ASSETS

Particulars	Gross Block				Depreciation / Amortization				Net Block	
	As at March 31, 2015	Additions	Deductions / Adjustments	As at March 31, 2016	As at March 31, 2015	For the Year (Refer Notes below)	Deductions / Adjustments	Transition adjustment recorded against Surplus in Statement of Profit and Loss	As at March 31, 2016	As at March 31, 2015
A. Tangible Assets (Owned / Acquired)										
(a) Leasehold Improvements (Previous Year)	486.77 (432.03)	765.09 (54.74)	-	1,251.86 (486.77)	274.20 (207.72)	117.00 (66.48)	-	-	860.66 (212.57)	212.57 (224.31)
(b) Medical Equipments (Previous Year)	3,905.55 (3,397.87)	659.76 (528.57)	357.79 (20.89)	4,207.52 (3,905.55)	2,549.33 (2,308.38)	402.96 (254.49)	333.41 (15.53)	- (1.99)	1,588.64 (1,356.22)	1,356.22 (1,089.49)
(c) Office Equipments (Previous Year)	99.49 (93.92)	19.30 (5.57)	3.52	115.27 (99.49)	78.52 (57.39)	17.83 (9.70)	3.52	- (11.43)	22.44 (20.97)	20.97 (36.53)
(d) Vehicles (Previous Year)	555.85 (531.71)	33.37 (46.51)	14.22 (22.37)	575.00 (555.85)	321.64 (291.13)	113.14 (44.87)	11.99 (14.82)	-	152.21 (234.21)	234.21 (240.58)
(e) Computers (Previous Year)	192.22 (161.30)	46.30 (34.75)	4.26 (3.83)	234.26 (192.22)	141.82 (113.53)	51.14 (29.44)	4.23 (3.62)	-	45.53 (50.40)	50.40 (47.77)
(f) Electrical Fittings (Previous Year)	1,263.98 (1,222.54)	342.52 (41.44)	168.19	1,438.31 (1,263.98)	763.22 (643.12)	272.69 (119.53)	167.57	-	569.97 (500.76)	500.76 (579.42)
(g) Furniture and Fixtures (Previous Year)	640.68 (633.73)	35.49 (9.90)	93.19 (2.95)	582.98 (640.68)	452.44 (391.92)	92.37 (62.81)	93.19 (2.30)	-	131.36 (188.24)	188.24 (241.81)
(h) Lab Equipments (Previous Year)	24.50 (6.72)	6.00 (17.78)	1.37	29.13 (24.50)	5.41 (4.12)	7.40 (1.29)	1.37	-	17.69 (19.09)	19.09 (2.60)
(i) Kitchen Equipments (Previous Year)	6.39 (6.39)	-	-	6.39 (6.39)	2.29 (1.62)	1.98 (0.67)	-	-	2.12 (4.10)	4.10 (4.77)
A	7,175.43	1,907.83	642.54	8,440.72	4,588.87	1,076.50	615.28	-	3,390.62	2,586.56
Previous Year Tangible Assets	(6,486.21)	(739.26)	(50.04)	(7,175.43)	(4,018.93)	(589.28)	(36.27)	(16.93)	(2,586.56)	(2,467.28)

₹ In Lakhs

₹ In Lakhs

Particulars	Gross Block			Depreciation / Amortization					Net Block	
	As at March 31, 2015	Additions	Deductions / Adjustments	As at March 31, 2016	As at March 31, 2015	For the Year (Refer Notes below)	Deductions / Adjustments	Transition adjustment recorded against Surplus in Statement of Profit and Loss	As at March 31, 2016	As at March 31, 2015
B. Intangible Assets										
(a) Goodwill (Acquired)	228.33	-	-	228.33	179.42	48.91	-	-	228.33	48.91
(Previous Year)	(228.33)	-	-	(228.33)	(154.42)	(25.00)	-	-	(179.42)	(73.91)
(b) Computer Software (Acquired)	54.19	11.31	1.17	64.33	40.47	12.70	1.17		52.00	13.72
(Previous Year)	(40.90)	(13.29)	-	(54.19)	(32.37)	(1.33)	-	(6.77)	(40.47)	(8.53)
B	282.52	11.31	1.17	292.66	219.89	61.61	1.17	-	280.33	62.63
Previous Year - Intangible Assets	(269.23)	(13.29)	-	(282.52)	(186.79)	(26.33)	-	(6.77)	(219.89)	(82.44)
Grand Total (A+B)	7,457.95	1,919.14	643.71	8,733.38	4,808.76	1,138.11	616.45	-	5,330.43	2,649.19
Previous Year - Grand Total	(6,755.44)	(752.55)	(50.04)	(7,457.95)	(4,205.72)	(615.61)	(36.27)	(23.70)	(4,808.76)	(2,549.72)

Note:

(i)	Particulars	2015-2016	2014-2015
	Depreciation and Amortisation Expense for the Current Year	852.62	615.60
	Depreciation and Amortisation Expense relating to the Prior Period (Refer Note 26)	285.49	-
	Total	1,138.11	615.60

Notes forming part of the Financial Statements for the Year Ended March 31, 2016 (Contd.)**12. DEFERRED TAX ASSETS (NET)**

Particulars	As at March 31, 2016 ₹ In Lakhs	As at March 31, 2015 ₹ In Lakhs
Tax Effect of Items Constituting Deferred Tax Assets : (Also Refer Note 4(i))		
(i) On difference between Book Balance and Tax Balance of Fixed Assets	396.71	226.44
(ii) Provision for Employee Benefits	36.94	5.51
(iii) Provision for Doubtful Trade Receivables	21.12	-
(iv) Others	37.19	-
Less: Tax effect of Items constituting Deferred Tax Liability	-	-
Total	491.96	231.95

13. LONG-TERM LOANS AND ADVANCES

(Unsecured, Considered Good)

Particulars	As at March 31, 2016 ₹ In Lakhs	As at March 31, 2015 ₹ In Lakhs
(a) Capital Advances	30.34	310.40
(b) Rental Deposits		
- Related Parties (Refer Note 38(b))	417.37	496.30
- Others	561.47	482.69
(c) Security Deposits	70.68	95.48
(d) Tax Deducted at Source / Advance Income Tax (Net of Provisions for Tax of ₹ 1,062 lakhs (As at March 31, 2015 - ₹ 861.50 lakhs).	434.93	364.70
(e) Balances Receivable from Government Authorities		
- Paid under Protest	10.09	10.09
Total	1,524.88	1,759.66

14. INVENTORIES

(Valued at Lower of Cost and Net Realisable Value)

Particulars	As at March 31, 2016 ₹ In Lakhs	As at March 31, 2015 ₹ In Lakhs
(a) Traded Goods		
- Opticals	247.54	271.81
- Pharmaceutical Products	153.18	155.38
- Contact Lens and Accessories	22.17	14.80
(b) Consumables (goods held for use in rendering services)	563.20	596.11
(c) Provisions - Food Items	0.51	0.37
Total	986.60	1,038.47

Notes forming part of the Financial Statements for the Year Ended March 31, 2016 (Contd.)**15. TRADE RECEIVABLES**

Particulars	As at March 31, 2016 ₹ In Lakhs	As at March 31, 2015 ₹ In Lakhs
(a) Trade Receivables outstanding for a period exceeding six months from the date they were due for payment :		
Unsecured, considered Good	307.76	169.68
Unsecured, considered Doubtful	63.88	70.97
	371.64	240.65
Less : Provision for Doubtful Trade Receivables	63.88	70.97
	307.76	169.68
(b) Other Trade Receivables		
Unsecured, considered Good	599.26	435.40
Total	907.02	605.08

16. CASH AND BANK BALANCES

Particulars	As at March 31, 2016 ₹ In Lakhs	As at March 31, 2015 ₹ In Lakhs
(a) Cash on Hand	45.64	48.85
(b) Balances with Banks		
(i) In Current Accounts	140.69	96.61
(ii) In Fixed Deposits - under Lien (Refer Note (ii) below)	47.00	34.75
(iii) In Earmarked Accounts		
- Unpaid Dividend Accounts	8.90	8.83
Total	242.23	189.04
Notes:		
(i) Of the above, the balances that meet the definition of Cash and Cash Equivalents as per AS 3 Cash Flow Statements.	186.33	145.46
(ii) Deposit under Lien represents deposits placed for Bank Guarantees obtained by the Company from Banks towards:		
- Central Government Health Scheme (CGHS)	11.50	8.00
- Ex-Servicemen Contributory Health Scheme (ECHS)	11.00	2.25
- Rajasthan Commercial Tax	24.50	24.50

17. SHORT-TERM LOANS AND ADVANCES

(Unsecured, Considered Good)

Particulars	As at March 31, 2016 ₹ In Lakhs	As at March 31, 2015 ₹ In Lakhs
(a) Rental Deposits	55.50	-
(b) Loans and Advances to Employees	0.85	8.68
(c) Prepaid Expenses	31.53	43.55
(d) Advances to Suppliers	54.86	13.04
Total	142.74	65.27

Notes forming part of the Financial Statements for the Year Ended March 31, 2016 (Contd.)**18. OTHER CURRENT ASSETS**

(Unsecured, Considered Good)

Particulars	As at March 31, 2016 ₹ In Lakhs	As at March 31, 2015 ₹ In Lakhs
(a) Interest Accrued not Due on Fixed Deposits	6.11	3.31
(b) Receivable on Sale of Fixed Assets	23.29	-
(b) Others		
- Receivable from Related Parties (Refer Note 38(b))	67.64	365.65
Total	97.04	368.96

19. REVENUE FROM OPERATIONS

Particulars	For the Year Ended March 31, 2016 ₹ In Lakhs	For the Year Ended March 31, 2015 ₹ In Lakhs
(a) Sale of Products (Refer Note (i) below)	3,799.97	3,371.39
(b) Sale of Services (Refer Note (ii) below)	9,666.73	8,287.95
(c) Other Operating Revenues - Management Consultancy Income (Refer Note (iii) below)	189.19	155.85
Total	13,655.89	11,815.19

Notes :

(i) Sale of Products comprises the following:

Particulars	For the Year Ended March 31, 2016 ₹ In Lakhs	For the Year Ended March 31, 2015 ₹ In Lakhs
Traded Goods :		
(i) Opticals	2,399.48	2,119.76
(ii) Pharmaceutical Products	1,163.31	1,041.62
(iii) Contact Lens and Accessories	148.38	138.12
(iv) Sale of Food Items	88.80	71.89
Total - Sale of Products	3,799.97	3,371.39

(ii) Sale of Services comprises the following :

Particulars	For the Year Ended March 31, 2016 ₹ In Lakhs	For the Year Ended March 31, 2015 ₹ In Lakhs
(i) Income from Surgeries	8,268.60	6,962.41
(ii) Income from Consultation	729.85	698.03
(iii) Income from Treatments and Investigations	668.28	627.51
Total - Sale of Services	9,666.73	8,287.95

Notes forming part of the Financial Statements for the Year Ended March 31, 2016 (Contd.)

(iii) Represents management consultancy income earned by the Company on rendering various consultancy services such as human resources, technical know-how, guidance in respect of procurements of machineries / consumables, development of Standard Operating Procedures and protocols, access to key employees, other administrative, Commercial and IT support, etc. provided to Dr. Agarwal's Health Care Limited, the holding company, by the Company in accordance with the agreement. Refer Note 38(b).

20. OTHER INCOME

Particulars	For the Year Ended March 31, 2016 ₹ In Lakhs	For the Year Ended March 31, 2015 ₹ In Lakhs
(a) Interest Income - Bank Deposits	4.05	6.22
(b) Dividend Income	-	0.38
(c) Net gain on Foreign Currency Transactions and Translation	8.36	-
(d) Profit on Sales of Assets (Net)	3.26	2.21
(e) Provisions for Doubtful Trade Receivables - Written Back	7.09	-
(f) Bad Receivables Recovered	-	2.43
(g) Miscellaneous Income	5.07	11.07
Total	27.83	22.31

21. PURCHASE OF STOCK IN TRADE

Particulars	For the Year Ended March 31, 2016 ₹ In Lakhs	For the Year Ended March 31, 2015 ₹ In Lakhs
(a) Opticals	958.57	830.12
(b) Pharmaceuticals Products	693.82	663.32
(c) Contact Lens and Accessories	85.68	84.33
(d) Provisions - Food Items	39.97	29.37
Total	1,778.04	1,607.14

22. CHANGES IN INVENTORIES OF STOCK IN TRADE

A. Inventories at the beginning of the year:

Particulars	For the Year Ended March 31, 2016 ₹ In Lakhs	For the Year Ended March 31, 2015 ₹ In Lakhs
(a) Opticals	271.81	321.73
(b) Pharmaceuticals Products	155.38	71.21
(c) Contact Lens and Accessories	14.80	34.86
(d) Provisions - Food Items	0.37	0.60
Total (A)	442.36	428.40

Notes forming part of the Financial Statements for the Year Ended March 31, 2016 (Contd.)

B. Inventories at the end of the year:

Particulars	For the Year Ended March 31, 2016 ₹ In Lakhs	For the Year Ended March 31, 2015 ₹ In Lakhs
(a) Opticals	247.54	271.81
(b) Pharmaceuticals Products	153.18	155.38
(c) Contact Lens and Accessories	22.17	14.80
(d) Provisions - Food Items	0.51	0.37
Total (B)	423.40	442.36
Total (A) - (B)	18.96	(13.96)

23. EMPLOYEE BENEFITS EXPENSE

Particulars	For the Year Ended March 31, 2016 ₹ In Lakhs	For the Year Ended March 31, 2015 ₹ In Lakhs
(a) Salaries and Bonus	2,686.44	2,155.09
(b) Contributions to Provident and Other Funds (Refer Note 36)	152.30	90.41
(c) Staff Welfare Expenses	87.40	72.60
Total	2,926.14	2,318.10

24. FINANCE COSTS

Particulars	For the Year Ended March 31, 2016 ₹ In Lakhs	For the Year Ended March 31, 2015 ₹ In Lakhs
(a) Interest on Loan		
(i) On Term Loans	315.96	222.80
(ii) On Others	58.40	98.05
Total	374.36	320.85

25. OTHER EXPENSES

Particulars	For the Year Ended March 31, 2016 ₹ In Lakhs	For the Year Ended March 31, 2015 ₹ In Lakhs
(a) Consultancy Charges	1,973.92	1,541.19
(b) Consumables	1,566.26	1,247.82
(c) Power and Fuel	275.48	208.65
(d) Water Consumption	14.43	13.79

Notes forming part of the Financial Statements for the Year Ended March 31, 2016 (Contd.)

Particulars	For the Year Ended March 31, 2016 ₹ In Lakhs	For the Year Ended March 31, 2015 ₹ In Lakhs
(e) Rent (Refer Note 38 and 39)	1,456.96	1,459.33
(f) Repairs & Maintenance		
- Equipments	271.09	213.69
- Others	170.58	122.94
(g) Hospital Maintenance Charges	214.93	186.78
(h) Brokerage and Commission	58.49	19.30
(i) Insurance	35.40	30.25
(j) Rates and Taxes	30.64	22.14
(k) Communication	122.59	107.41
(l) Travelling and Conveyance :		
- Domestic	192.33	200.04
- Foreign	10.11	64.14
(m) Printing and Stationery	66.47	61.54
(n) Legal and Professional Charges	137.72	162.55
(o) Software Maintenance Charges	12.68	10.03
(p) Business Promotion and Entertainment	102.63	132.55
(q) Marketing Expenses	264.50	42.47
(r) Payments to Auditors (Refer Note (i) Below)	35.31	15.75
(s) Provision for Bad and Doubtful Receivables	-	70.97
(t) Provision for Contingencies (Refer Note 29)	9.62	-
(u) Bank Charges	79.82	62.11
(v) Net Loss on Foreign Currency Transactions and Translation	-	0.47
(w) Contribution towards Scientific Research (Refer Note 34)	-	160.00
(x) Contribution towards CSR Activities (Refer Note 35)	10.00	-
(y) Bad Receivables Written off	2.88	111.63
(z) Miscellaneous Expenses	124.48	90.42
Total	7,239.32	6,357.96

(i) Payments to the Auditors Comprises :

(a) As Auditors:		
- For Statutory Audit and Limited Review	25.50	9.00
- For Tax Audit	2.00	0.50
- Other Services	2.50	3.69
- Service Tax	4.38	1.63
- Reimbursement of Expenses	0.25	0.93
(b) To cost auditors for cost audit	0.68	-
Total	35.31	15.75

Notes forming part of the Financial Statements for the Year Ended March 31, 2016 (Contd.)**26. Prior Period Items (Net)**

Particulars	For the Year Ended March 31, 2016 ₹ In Lakhs	For the Year Ended March 31, 2015 ₹ In Lakhs
(a) Depreciation (Refer Note 11(ii))	285.49	-
(b) Gratuity	47.52	-
(c) Salaries and Bonus	37.36	-
(d) Rent (Refer Note 39)	148.62	-
(e) Others	23.44	95.55
Total	542.43	95.55

27. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars*	2015-2016 ₹ In Lakhs	2014-2015 ₹ In Lakhs
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

*Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

28. Capital Commitments

- (a) (i) The estimated amount of contracts remaining to be executed on Capital Account, net of advances and not provided for is ₹ Nil (Previous Year ₹ 211 Lakhs).
- (ii) Other commitments - ₹ Nil (Previous Year ₹ Nil)

29. Provision for Contingencies

The Company is carrying a provision for contingencies towards various claims against the Company not acknowledged as debts (Refer Note 30). The details are as follows:

Particulars	As at March 31, 2016	As at March 31, 2015
Opening Balance	-	-
Provision made during the year	9.62	-
Amounts Utilised during the year	-	-
Unused Amounts Reversed during the year	-	-
Closing Balance	9.62	-

₹ in Lakhs

Notes forming part of the Financial Statements for the Year Ended March 31, 2016 (Contd.)**30. Contingent Liabilities**

₹ In Lakhs

Particulars	As at March 31, 2016	As at March 31, 2015
Consumer Claims against the Company not acknowledged as debt	87.24	96.86
Income Tax demands - Disputed	236.62	83.46
Indirect Tax demands - Disputed	30.59	30.59

Notes:

- (i) Based on Professional Advice / Management's assessment of all the above claims, the Company expects a favourable decision in respect of the above claims and hence no specific provision has been considered for the above claims. However, a general provision for ₹ 9.62 lakhs has been made towards "Provision for Contingencies". Refer Note 29.
- (ii) The amounts shown above represent the best possible estimates arrived at on the basis of the available information. The uncertainties and possible reimbursement are dependent on the outcome of the various legal proceedings which have been initiated by the Company or the Claimants, as the case may be and, therefore, cannot be predicted accurately.

31. CIF Value of Imports

₹ In Lakhs

Particulars	2015-2016	2014-2015
Capital Goods	162.48	299.00

32. Foreign Currency Transactions

- (a) Earnings in Foreign Currency (on Accrual Basis) - ₹ Nil (Previous Year - ₹ Nil lakhs).
- (b) Expenditure in Foreign Currency (on Accrual Basis):

₹ In Lakhs

Particulars	2015-2016	2014-2015
Consultancy Charges	3.96	11.20
Consumables	159.94	-
Business Promotion and Entertainment	4.27	-
Total	168.17	11.20

33. Un-Hedged Foreign Currency Exposures as at the Balance Sheet date

The Company does not use any derivative instruments to hedge its foreign currency exposures. Details of the unhedged foreign currency exposure are given below:

₹ In Lakhs

Particulars	Currency	As at March 31, 2016	As at March 31, 2015
Other Current Assets	(₹ in Lakhs)	11.38	77.31
	USD	17,426.47	123,512.00

34. The Company has incurred ₹ Nil (Previous Year - ₹ 160 lakhs) as contribution towards Scientific Research-Eye Research Centre.

Notes forming part of the Financial Statements for the Year Ended March 31, 2016 (Contd.)
35. Corporate Social Responsibility

During the year, the Company incurred an aggregate amount of ₹10 lakhs towards corporate social responsibility in compliance of Section 135 of the Companies Act 2013 read with relevant schedule and rules made thereunder. The details of the CSR spend are given below:

- (i) Gross amount required to be spent by the Company during the year: ₹ 9 Lakhs
- (ii) Amount spent by the Company during the year on:

			₹ In Lakhs
Particulars	Amount Paid (By NEFT)	Yet to be Paid	Total
Prime Minister's National Relief Fund	10.00	-	10.00

36. Employee Benefits

- (a) The Company makes Provident Fund and Pension Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 121.81 lakhs (Previous Year - ₹ 90.41 lakhs) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

- (b) **Compensated Absences**

The Key Assumptions used in the computation of provision for long term compensated absences are as given below:

Particulars	2015-2016	2014-2015
Discount Rate (% p.a)	7.80%	9.00%
Future Salary Increase (% p.a)	5.00%	5.00%

- (c) **Gratuity**

The Company has a funded gratuity scheme for covering its gratuity obligation. The gratuity liability has been recognised based on the actuarial valuation done as at the year end using the Projected Unit Credit method as given below:

Particulars	2015-2016	2014-2015
Change in Benefit Obligation		
Projected Benefit Obligation as at Year Beginning	163.92	174.60
Adjustments to the Opening Balance	50.65	-
Service Cost	53.42	32.76
Interest Cost	17.27	13.97
Actuarial Loss / (Gain)	(23.80)	(19.25)
Benefits Paid	(33.52)	(38.16)
Projected Benefit Obligation as at Year End	227.94	163.92
Change in Plan Assets		
Fair Value of Plan Assets as at Year Beginning	151.53	153.91
Expected Return on Plan Assets	12.99	13.39
Employer's Contribution	36.19	22.39
Benefits Paid	(33.52)	(38.16)
Actuarial Gain / (Loss)	3.41	-
Fair Value of Plan Assets as at Year End	170.60	151.53
Amounts Recognised in the Balance Sheet		
Projected Benefit Obligation as at Year End	227.94	163.92
Fair Value of Plan Assets as at Year End	170.60	151.53

Notes forming part of the Financial Statements for the Year Ended March 31, 2016 (Contd.)

₹ In Lakhs

Particulars	2015-2016	2014-2015
Liability Recognised in the Balance Sheet (Net)	57.34	12.39
Current	27.22	12.39
Non Current	30.12	-
Total Liability	57.34	12.39
Cost of Defined Benefit Plan for the Year		
Current Service Cost	53.42	32.76
Interest on Obligation	17.27	13.97
Expected Return on Plan Assets	(12.99)	(13.39)
Net Actuarial (Gains) / Loss	(27.21)	(19.25)
Others	-	-
Net Cost Recognized in the Statement of Profit and Loss (Refer Note 23)	30.49	14.09
Assumptions		
Discount Rate (% p.a)	7.80%	9.00%
Future Salary Increase (% p.a.)	5.00%	5.00%
Expected Rate of Return on Plan Assets (% p.a)	8.50%	8.50%
Mortality Rate	Indian Assured Lives (2006-2008)	Indian Assured Lives (2006-2008)

Notes:

- The expected return on plan assets is as furnished by Life Insurance Corporation of India (LIC). The actual return on plan assets as furnished by LIC is ₹ 13.56 lakhs.
- The entire Plan Assets are managed by LIC, the Insurer. The details with respect to the composition of investments in the fair value of Plan Assets have not been disclosed in the absence of the necessary information.
- The estimate of future salary increase takes into account inflation, seniority, promotion and other relevant factors.
- Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated term of the obligation.
- The expected contribution to be made in the next financial year is ₹ 27.22 lakhs.
- Experience Adjustments*

₹ In Lakhs

Particulars	2015-16	2014-15	2013-14
Defined Benefit Obligations	227.94	163.92	207.35
Plan Assets	170.60	151.53	174.59
Surplus / (Deficit)	(57.34)	(12.39)	(32.76)
Experience Adjustments on Plan Liabilities	23.80	19.25	-
Experience Adjustments on Plan Assets	3.41	-	-

*Experience adjustments related to prior years have been disclosed based on the information to the extent available.

37. Segment Reporting

The Company has identified business segment as its primary segment and geographic segment as its secondary segment. Effective July 1, 2015, consequent to the change in the business oversight monitoring, the Management's assessment of risks and rewards from the business operations has changed during the current year. The Management has brought all its operations under the single umbrella of "Eye Care related Sales and Services" and looks at the entire business as a single segment. Accordingly, the amounts appearing in the financial statements relate to this single primary business segment of "Eye Care related sales and services".

Notes forming part of the Financial Statements for the Year Ended March 31, 2016 (Contd.)
38. Related Party Disclosures

(a) Names of Related Parties and Nature of Relationships

Nature of Relationship*		2015-2016	2014-2015
(i)	Holding Company	Dr. Agarwal's Health Care Limited (DAHCL)	Dr. Agarwal's Health Care Limited (DAHCL)
(ii)	Enterprises in which individuals Referred to in (iii) below have Significant Influence	Orbit International	Orbit International
		Orbit Health Care Services Limited, Mauritius	Orbit Health Care Services Limited, Mauritius
		Dr. Agarwal's Eye Institute	Dr. Agarwal's Eye Institute
(iii)	Key Management Personnel (KMP)	Dr. Amar Agarwal, Managing Director	Dr. Amar Agarwal, Managing Director
		Dr. Athiya Agarwal, Wholetime Director	Dr. Athiya Agarwal, Wholetime Director
		Dr. Adil Agarwal, Wholetime Director	Dr. Adil Agarwal, Wholetime Director
		Dr. Anosh Agarwal, Wholetime Director	Dr. Anosh Agarwal, Wholetime Director

* Related Party relationships are as identified by the Management.

(b) Transactions carried out with related parties referred to above in the ordinary course of business during the year.

Particulars		Related Party	2015-2016 ₹ In Lakhs	2014-2015 ₹ In Lakhs
Transactions during the Year				
Revenue				
	Management Consultancy Income	Dr. Agarwal's Health Care Limited	189.19	155.85
Expenses				
	Rent	Dr. Agarwal's Eye Institute	683.49	674.16
		Orbit International	-	107.86
	Repairs and Maintenance	Orbit International	-	51.50
	License Fee Deposit	Orbit International	-	346.07
	Remuneration (Refer Note (iv))	Dr. Amar Agarwal	36.00	36.00
		Dr. Athiya Agarwal	36.00	36.00
		Dr. Adil Agarwal	36.00	27.00
		Dr. Anosh Agarwal	36.00	36.00
Recovery of Expenses				
	Consultancy Charges to Doctors	Dr. Agarwal's Health Care Limited	-	1.05
		Dr. Agarwal's Eye Institute	-	94.90
	Salaries and Bonus	Orbit Health Care Services Limited, Mauritius	180.96	167.94
Others				
	Short Term Deposit	Dr. Agarwal's Health Care Limited	-	1.00
	Rental Deposit	Dr. Agarwal's Health Care Limited	-	15.00
	Dividend Paid	Dr. Agarwal's Health Care Limited	40.47	40.47

Notes forming part of the Financial Statements for the Year Ended March 31, 2016 (Contd.)

Particulars		Related Party	2015-2016 ₹ In Lakhs	2014-2015 ₹ In Lakhs
Assets - Receivables				
	Other Current Assets	Dr. Agarwal's Health Care Limited	56.26	288.34
		Orbit Health Care Services Limited, Mauritius	11.38	77.31
	Long Term Loans and Advances	Dr. Agarwal's Eye Institute	417.37	417.37
		Orbit International	-	78.93
Liabilities				
	Trade Payables	Dr. Agarwal's Eye Institute	-	51.18

Notes:

- (i) The Company accounts for costs incurred by / on behalf of the Related Parties based on the actual invoices / debit notes raised and accruals as confirmed by such related parties. The Related Parties have confirmed to the Management that as at March 31, 2016 and March 31, 2015, there are no further amounts payable to / receivable from them, other than as disclosed above. The Company incurs certain costs on behalf of other companies in the group. These costs have been allocated / recovered from the group companies on a basis mutually agreed to with the group companies.
- (ii) Dr. Agarwal's Health Care Limited has provided Corporate Guarantees amounting to ₹ 3,555 lakhs to SBI for the loans taken by the Company. Further, 1,350,000 Equity Shares held by Dr. Agarwal's Health Care Limited in the Company has been pledged as one of the collateral securities with SBI, for the loans taken by the Company to the extent of ₹ 3,555 lakhs.
- (iii) The Company has provided comfort letter to HDFC Bank in respect of the Equipment Loans and Cash Credit facility availed by the Dr. Agarwal's Health Care Limited, the Holding Company.
- (iv) Represents remuneration of ₹ 3 lakhs per month, all inclusive by way of salary, allowances and perquisites paid to the Key Managerial Personnel, who has been appointed as the whole time director of the Company.
- (v) Also Refer Note 5(i) and Note 7(ii).

39. Operating Lease

The Company has entered in to non-cancellable operating lease agreements primarily for Hospitals and related retail outlets for Pharmacy and Optical sales. The lease period ranges for a period of 3 to 12 years. An amount of ₹ 1,605.58 lakhs (Previous Year ₹ 1,459.33 lakhs) has been debited to the Statement of Profit and Loss towards lease rentals and other charges for the current year.

The future minimum lease payments for Hospitals and related retail outlets under operating lease contracted are as follows:

Lease Obligation	Expected Minimum Lease Commitment	
	As at March 31, 2016	As at March 31, 2015
Not later than one year	1,168.44	1,296.48
Later than one year but not later than five years	3,091.43	3,836.48
Later than five years	1,913.66	2,337.06

₹ In Lakhs

Notes forming part of the Financial Statements for the Year Ended March 31, 2016 (Contd.)**40. Earnings Per Share**

Particulars	2015-2016	2014-2015
Net Profit / (Loss) attributable to Equity Shareholders - ₹ in lakhs	3.67	569.80
Weighted Average Number of Equity Shares (Face Value ₹ 10 Each)	47.00	47.00
Earnings Per Share - Basic – Rs.	0.08	12.12
Earnings Per Share - Diluted – Rs.	0.08	12.12

41. Previous Year's Figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

42. Approval of Financial Statements

The Board of Directors of the Company has reviewed the realisable value of all the current assets and has confirmed that the value of such assets in the ordinary course of business will not be less than the value at which these are recognized in the financial statements. In addition, the Board has also confirmed the carrying value of the non-current assets in the financial statements. The Board, duly taking into account all the relevant disclosures made, has approved these financial statements in its meeting held on May 19, 2016.

For and behalf of the Board of Directors

sd/-

Dr. Amar Agarwal

Chairman cum Managing Director

sd/-

Dr. Anosh Agarwal

Director

sd/-

Mr. R. Sabesan

Chief Financial Officer

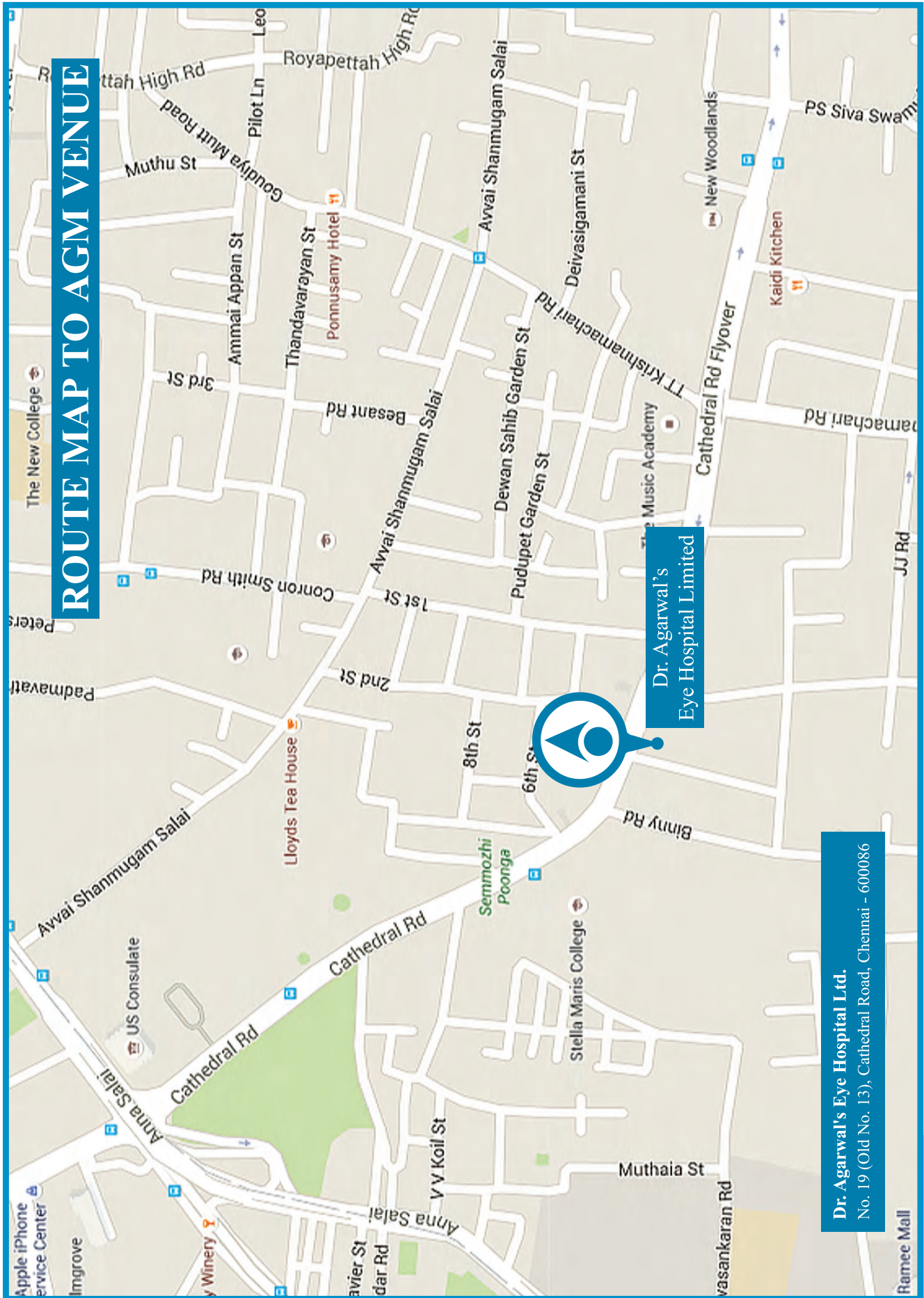
sd/-

Mr. S. Ramanujam

Company Secretary

Place : Chennai

Date : May 19, 2016





Relocation of Triplicane Hospital December 2015



Notes:

Notes:



OUR VISION

To focus on being
different through continuous
innovation and use
best-in-class technology to win



TAMILNADU:

CHENNAI: Anna Nagar | Ashok Nagar | Avadi | Cathedral Road | Nanganallur | Nungambakkam
Perumbur | Porur | Triplicane | Velachery

REST OF TAMILNADU: Dharmapuri | Erode | Hosur | Kanchipuram | Krishnagiri | Kumbakonam | Neyveli
Salem | Thiruvallur | Vellore | Villupuram

RAJASTAN: Jaipur

For more information,

call **1800-3002-3377** or write to patientcare@dragarwal.com Follow us on    www.dragarwal.com

IF UNDELIVERED PLEASE RETURN TO

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T.Nagar, Chennai - 600 017 Office Phone: (044) **2814 08 01 - 03**