

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)



CONTENTS	PAGE NO
Corporate Information	2
Financial Highlights	3
Notice to Shareholders & e-voting facility	4
Directors' Report	12
Management Discussion and Analysis Report	16
Corporate Governance Report	18
Declaration regarding adherence to the code of conduct	25
Certificate By Chief Executive Officer (CEO) And Chief Financial Officer (CFO)	26
Extracts of Annual Return (Annexure I)	27
Information required under section 197 of the Companies Act, 2013 (Annexure II)	37
Secretarial Audit Report (Annexure III)	40
Annual Report on Corporate Social Responsibility (CSR) Activities (Annexure IV)	42
Independent Auditors' Report	44
Balance Sheet	50
Statement of Profit and Loss	51
Cash Flow Statement	52
Notes forming part of Financial Statements	54
Route Map to AGM Venue	78

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: