LETTER OF OFFER

This Document is important and requires your immediate attention

This Letter of Offer("LOF") is sent to you as a shareholder(s) of **Dr. Agarwal's Eye Hospital Limited.** If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager / Registrar to the Offer. In case you have recently sold your shares in Dr. Agarwal's Eye Hospital Limited, please hand over this Letter of Offer, the accompanying Form of Acceptance-cum-Acknowledgement, Form of Withdrawal and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected.

Dr. Agarwal's Health Care Limited

having its registered office at 19, (Old No. 13) Cathedral Road, Chennai – 600 086. Tel. No. 91 44 28116233 / 28112592, Fax No. 91 44 28115871

(Hereinafter referred as "the Acquirer")

MAKES CASH OFFER AT AN OFFER PRICE OF RS.159/- PER FULLY PAID UP EQUITY SHARE PLUS INTEREST FOR DELAY IN THE OFFER SCHEDULE, OF RS.1.22 (ONE RUPEE TWENTY TWO PAISE ONLY) PER SHARE AT THE RATE OF 10% P.A.

TO ACQUIRE

9,00,000 equity shares of face value of Rs.10/- each representing, 20% of the outstanding voting equity share capital, as at the expiration of 15 days after the closure of the Offer, from the existing shareholders

OF

Dr. Agarwal's Eye Hospital Limited ("DAEHL"/ "Target Company")

Having its registered office at 19, Cathedral Road, Chennai – 600 086 – India. Tel. No.91 44 28112811 , Fax No. 91 44 28111205, Email: cfo@dragarwal.com; Website: www.dragarwal.com

The Offer is being made pursuant to the provisions of Regulation 11 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (Hereinafter referred to as "SEBI (SAST) Regulations")

Please Note:

This Offer is not a conditional offer.

RBI vide their letter no. FE.CO.FID.No. 6933/10.21.215/2010-11 dated September 19, 2011 has conveyed no-objection for transfer of M/s Dr. Agarwal's Health Care Limited for acquisition of upto 9,00,000 equity shares of M/s. Dr. Agarwal's Eye Hospital Limited, subject to condition that (a) the approval to the open offer under the SEBI (SAST) Regulations, 1997 by SEBI (b) if the shares tendered by NRIs are acquired from rupee funds and non-repatriable in nature, the sale of proceeds of such shares may be credited to NRO account of the seller NRI with necessary reporting in the prescribed form FC-TRS and (c) if overseas corporate bodies tender shares pursuant to the Open Offer then the Target Company will be required to obtain prior RBI approval.

As on the date of this Letter of Offer, no other statutory approvals are required to be obtained for the purpose of this Offer. However, the Offer would be subject to all statutory and regulatory approvals that may become applicable at a later date before the completion of Offer.

Regulation 26 of SEBI (SAST) Regulations, 1997 provides for an upward revision of the Offer Price / Offer Size at anytime, upto seven working days prior to the date of the closure of the Offer i.e. Wednesday , February 22 , 2012. In case of a revision in the Offer Price / Offer size/ Withdrawal of Offer, the Public Announcement for such revision or withdrawal will be made in the same newspaper in which the original Public Announcement had appeared. In case of a revision in Offer Price, the same price shall be paid by Acquirer for all the shares tendered anytime during the period the Offer is open and accepted under the Offer.

This offer is not subject to minimum level of acceptance.

Shareholders, who have accepted the offer by tendering the requisite documents, in terms of the Public Announcement/Letter of Offer, can withdraw the same upto 3 (three) working days prior to the date of the closure of the offer i.e. upto Wednesday , February 15 , 2012 or in case of Withdrawal of the Offer, the same would be informed by way of Public Announcement in the same newspaper where the original Public Announcement appeared.

"If there is a competitive bid: (i) The public offers under all the subsisting bids shall close on the same date; (ii) As the offer price cannot be revised during 7 (seven) working days prior to the closing date of the offers / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly."

This is not a competitive bid and there has been no competitive bid as on the date of this Letter of Offer.

THE PROCEDURE FOR ACCEPTANCE AND SETTLEMENT IS SET OUT IN PARAGRAPH 9. A FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT, FORM OF WITHDRAWAL AND TRANSFER DEED(S) ARE ENCLOSED WITH THIS LETTER OF OFFER. A COPY OF PUBLIC ANNOUNCEMENT AND THIS LETTER OF OFFER (INCLUDING FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT AND FORM OF WITHDRAWAL) WILL ALSO BE AVAILABLE ON SEBI'S WEBSITE i.e. www.sebi.gov.in.

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
KARVY INVESTMENT BANKING	Integrated since 1974 Investments Simplified
KARVY INVESTOR SERVICES LIMITED " Karvy House " , 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad - 500 034 Tel. No. 91 40 23428774 Fax No. 91 40 23374714 Contact Person: Ms.Sarita Gupta Email: cmg@karvy.com	**INTEGRATED ENTERPRISES (INDIA) LIMITED** 2nd Floor, Kences Towers, No.1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai – 600 017 Tel. No. 91 44 28140801 – 03 Fax No. 91 44 28142479 Contact Person: Ms. N Anusha Email: corpserv@integratedindia..in
OFFER OPENS ON: Friday, February 03, 2012	**OFFER CLOSES ON:** Wednesday, February 22 , 2012

SCHEDULE OF MAJOR ACTIVITIES

	Original Schedule		Revised Schedule	
Activity	**Day**	**Date**		
Public Announcement	Monday	January 17, 2011	Monday	January 17, 2011
Last Date for a Competitive Bid	Monday	February 7, 2011	Monday	February 7, 2011
Specified Date(*)	Monday	February 14, 2011	Monday	February 14, 2011
Date by which LoF will be Dispatched to the Shareholders	Thursday	February 23, 2011	Saturday	January 28, 2012
Offer Opening Date	Monday	March 7, 2011	Friday	February 03, 2012
Last Date for Revising the Offer Price / Number of Shares	Wednesday	March 16, 2011	Thursday	February 09, 2012
Last Date for Withdrawal by Shareholders	Tuesday	March 22, 2011	Wednesday	February 15, 2012
Offer Closing Date	Friday	March 25, 2011	Wednesday	February 22, 2012
Date by which the acceptance / rejection would be intimated and the corresponding payment for the acquired shares and / or the share certificate(s) will be dispatched /credited	Saturday	April 9, 2011	Wednesday	March 07, 2012

(*): Specified Date is only for the purpose of determining the names of the shareholders of the Target Company as on such date to whom the Letter of Offer would be sent.

Note: *Duly Signed Form of Acceptance cum Acknowledgement and Transfer Deed(s) together with share certificate(s) in original should be dispatched by registered post / courier or hand delivered to the Registrar to the Offer at the above address to arrive not later than 1700 Hrs on Wednesday, February 22 , 2012*

RISK FACTORS

Risk Factors relating to the Proposed Offer and in associating with the Acquirer

1. In the event of any litigation leading to a stay on the Offer, or if regulatory approvals if any are not received in time, or on SEBI instructing that the Offer should not be proceeded with, the Offer process may be delayed beyond the Schedule of the Major Activities indicated in this LoF and consequently, the payment of the consideration to the public shareholders of DAEHL whose shares have been accepted in the Offer as well as the return of the shares not accepted by the Acquirer may be delayed.

2. In case the shares tendered in the Offer by the shareholders, are more than the shares to be acquired under the Offer, the acquisition of shares from each shareholder will be as per the provisions of Regulation 21(6) of the SEBI (SAST) Regulations on a proportionate basis, in such a way that the acquisition from a shareholder shall not be less than the minimum marketable lot or the entire holding if it is less than the marketable lot. Market lot for the Target Company's share is 100 (Hundred) shares in case of shares held in physical form and 1 (One) in case of shares held in dematerialized form. In such an event, all the shares tendered by the applicant may not be accepted.

3. If, the Acquirer is unable to make the payment to the shareholders who have accepted the Offer within 15 (fifteen) days of the date of closure of the Offer, then SEBI may, if satisfied that the non-receipt of requisite statutory approvals was not due to any willful default or neglect of the Acquirer or the failure of the Acquirer to diligently pursue the applications for such approvals, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the shareholders for delay beyond 15 (fifteen) days, as may be specified by SEBI from time to time. Further, shareholders should note that after the last date for withdrawing acceptances, the shareholders who have lodged the shares will not be able to withdraw them even if the acceptance of shares under the offer and dispatch of consideration gets delayed. The tendered shares and documents would be held by the Registrar to the Offer, till such time as the process of acceptance of tendered shares and payment of consideration is completed.

4. The shares tendered in the Offer will remain in the designated escrow account till the completion of the Offer formalities. During such period there may be fluctuation in the market price of the shares of the Target Company. The Acquirer makes no assurance with respect to the market price of the Shares during and / or after the Offer

5. If the aggregate of the valid responses to the offer exceeds offer size, then the Acquirer shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the Regulations. In such an event all the equity shares tendered by the applicants may not be accepted.

6. The Acquirer makes no assurance with respect to the financial performance of the Target Company.

7. The Acquirer and the Manager to the Offer, accept no responsibility for statements made otherwise than in the Public Announcement or the Letter of Offer or in the advertisement or any materials issued by or at the instance of the Acquirer and the Manager to the Offer, and anyone placing reliance on any other source of information would be doing so at his / her / their own risk.

The risk factors set out above pertain to the offer and do not relate to the present or future business or operations of DAEHL or any other related matters, and are neither exhaustive, nor intended to constitute a complete analysis of the risks involved in the participation by a shareholder in the offer. The shareholders of DAEHL are advised to consult their stockbroker or investment consultant, if any, for further risks with respect to their participation in the offer.

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DEFINITIONS

The following definitions apply through this document, unless the context requires otherwise:

Term	Definition
Acquirer/DAHCL	Dr. Agarwal's Health Care Limited
BSE/ Stock Exchange	BSE Limited
CDSL	Central Depository Services (India) Limited
DoA	Date of appointment
DoB	Date of Birth
DP	Depository Participant
FEMA	Foreign Exchange Management Act, 1999
FIIs	Foreign Institutional Investors registered with SEBI
FOA or Form of Acceptance	Form of Acceptance-cum-Acknowledgement accompanying this Letter of Offer
FOW or Form of Withdrawal	Form of Withdrawal accompanying this Letter of Offer
FY	Financial Year
Manager/ Manager to the Offer	Karvy Investor Services Limited
MSE/ Stock Exchange	Madras Stock Exchange
NRI	Non Resident Indian
NSDL	National Securities Depository Limited
OCBs	Overseas Corporate Bodies
Offer	The open offer being made by the Acquirer to shareholders of DAEHL as set out in this Letter of Offer
Offer Document /LoF	The Letter of Offer
Offer Price	Rs.159 (Rupees One Hundred and Fifty Nine only) per paid up Share
Offer Size	9,00,000 Equity Shares of Rs.10/- each at an Offer Price of Rs.159/- per share
PAT	Profit after tax
Person(s) eligible to participate in the Offer/Public Shareholders	All owners (registered or unregistered) of Shares of Target Company (other than the Acquirer, Promoters who are parties to the SPA and Promoter Group) anytime before the closure of the Offer
Promoters & Promoter Group	(1) Dr. (Mr.) Adil Agarwal; (2) Dr. (Mr.) Amar Agarwal (including as nominee of Late Dr. (Mr.) J Agarwal); (3) Dr. (Mr.) Anosh Agarwal; (4) Mr. Ashar Agarwal; (5) Dr. (Mr.) Ashvin Agarwal (including as Legal Heir of Late Dr. (Mrs.) T Agarwal); (6) Dr. (Mrs.) Athiya Agarwal; (7) Dr. Agarwal's Eye Institute Private Limited; and (8) Mrs. Saroj Bala
Public Announcement / PA	Announcement of Offer made on January 17, 2011
RBI	The Reserve Bank of India
Registrars or Registrars to the Offer	Integrated Enterprises (India) Limited
RTGS	Real Time Gross Settlement
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992 and subsequent amendments thereto
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 and subsequent amendments thereto
Share(s)	Fully paid up equity shares of a face value of Rs. 10/- each of DAEHL
Specified Date	February 14, 2011
SPA	Share Purchase Agreement
Target Company/ DAEHL	Dr. Agarwal's Eye Hospital Limited
TD	Transfer Deed
WAP	Weighted Average Price

1. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF DR. AGARWAL'S EYE HOSPITAL LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF DR. AGARWAL'S HEALTH CARE LIMITED ("THE ACQUIRER"), PAC OR OF DR. AGARWAL'S EYE HOSPITAL LIMITED ("TARGET COMPANY"), WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER – KARVY INVESTOR SERVICES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JANUARY 28, 2011 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS 1997 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

2. DETAILS OF THE OFFER

2.1. Background of the Offer

a) This Offer of 20% (9,00,000 equity shares) of the outstanding voting equity share capital of DAEHL is made in terms of Regulation 11 of SEBI (SAST) Regulations. The Acquirer intends to consolidate its holding in the Target Company pursuant to this Offer.

b) On Tuesday, January 11, 2011, the Acquirer entered into a Share Purchase Agreement ("***SPA***") with the following existing promoters of DAEHL(hereinafter referred to as the "***Promoters & Promoter Group***"): (1) Dr. (Mr.) Adil Agarwal; (2) Dr. (Mr.) Amar Agarwal (including as nominee of Late Dr. (Mr.) J Agarwal); (3) Dr. (Mr.) Anosh Agarwal; (4) Mr. Ashar Agarwal; (5) Dr. (Mr.) Ashvin Agarwal (including as legal heir of Late Dr. (Mrs.) T Agarwal); (6) Dr. (Mrs.) Athiya Agarwal; (7) Dr. Agarwal's Eye Institute Private Limited; and (8) Mrs. Saroj Bala:

i. to acquire 24,72,408 equity shares of DAEHL constituting 54.9424% of paid-up equity share capital of DAEHL (the '***Sale Shares***'), out of which 13,50,000 equity shares (being 30% of the total paid-up share capital of DAEHL) held by (1) Dr. (Mr.) Adil Agarwal; (2) Dr. (Mr.) Amar Agarwal (as nominee of Late Dr. (Mr.) J Agarwal); (3) Dr. (Mr.) Anosh Agarwal; (4) Dr. (Mrs.) Athiya Agarwal have been pledged with the State Bank of India, Mid Corporate Group, Industrial Finance Branch, 155, Anna Salai, Chennai – 600 002 (**"*SBI*"**) pursuant to the terms of sanction letters for credit facilities extended to DAEHL ('***Pledged Sale Shares***'). As on the date of the PA, the value of the Pledged Sale Shares was Rs. 11,42,10,000 (Closing Price as on January 17, 2011 was Rs.84.60); and

ii. to issue and allot 7,92,089 equity shares of face value of Rs. 10/- (Rupees Ten Only) each of the Acquirer to the Promoters i.e., (1) Dr. (Mr.) Adil Agarwal; (2) Dr. (Mr.) Amar Agarwal (including as nominee of Late Dr. (Mr.) J Agarwal); (3) Dr. (Mr.) Ashvin Agarwal (including as Legal Heir of Late Dr. (Mrs.) T Agarwal); (4) Dr. (Mr.) Anosh Agarwal; (5) Mr. Ashar Agarwal; (6) Dr. (Mrs.) Athiya Agarwal; (7) Dr. Agarwal's Eye Institute Private Limited; and (8) Mrs. Saroj Bala, in consideration thereof in the ratio of 1 **:** 3.12 (i.e. one (1) equity share of the Acquirer for every 3.12 Shares of the Target Company).

This is a negotiated deal.

Note: SBI has closed the pledge between August 2011 and October 2011.

c) The existing shareholding and other details of the Promoters as on January 21, 2012 in DAEHL is as under:

Sr. No.	Name of the Promoter	No. of Equity Shares	% of fully issued and paid-up capital
1.	Dr. (Mr.) Adil Agarwal	382,321	8.4960
2.	Dr. (Mr.) Amar Agarwal	156,413	3.4758
3.	Dr. (Mr.) Amar Agarwal (as nominee of Dr. (Mr.) J Agarwal)	317,474	7.0550
4.	Dr. (Mr.) Anosh Agarwal	368,246	8.1832
5.	Mr. Ashar Agarwal	51,300	1.1400
6.	Dr. (Mr.) Ashvin Agarwal$	374,608	8.3246
7.	Dr. (Mrs.) Athiya Agarwal	354,546	7.8788
8.	Dr. Agarwal's Eye Institute Private Limited	451,800	10.0400
9.	Mrs. Saroj Bala	15,700	0.3489
	Total	**2,472,408**	**54.9424**

$ 3,18,274 Equity Shares of DAEHL held by Dr. (Mrs.) T Agarwal has been transmitted to her legal heir, Dr.Ashwin Agarwal one of the member of the Promoter Group

d) The salient features of the SPA are as under:

(i) The Acquirer has agreed to acquire from the Promoters, an aggregate of 24,72,408 Shares of face value of Rs. 10/- each of DAEHL, which constitutes 54.9424% of the total issued and paid-up equity share capital of the Target Company. In consideration thereof, the Acquirer has agreed to issue and allot 7,92,089 equity shares of the Acquirer to the Promoters.

(ii) At the request of the Acquirer and some of the Promoters, the Investor, being a company registered in Mauritius, viz. EILSF SPV 3 ('***the Investor***') whose principal place of business is at Les Cascades, Edith Cavell Street, Port Louis, Mauritius has executed a Subscription Agreement dated Tuesday, January 11, 2011 and agreed to invest in the Acquirer subject to condition that the Acquirer completes the purchase of Shares of the Target Company from the Promoters and from other shareholders through an Open Offer made under SEBI (SAST) Regulations.

(iii) The Acquirer shall, within 30 (thirty) days of execution of the SPA, make an application to Reserve Bank of India ('***RBI***') / Foreign Investment Promotion Board ('***FIPB***') to obtain the approval for transfer of Shares of DAEHL from non-residents (if any) to the Acquirer pursuant to the Offer.

(iv) On or prior to the expiry of 120 (one hundred and twenty) Business Days from the date of execution of the SPA, the Promoters shall provide to the Acquirer certified true copies of Government, corporate, creditors', shareholders' and other permissions, approvals, licences, consents, registrations and authorisations, if any, required under Law or under any contract or otherwise:

(a) for the Acquirer to acquire the aforesaid Shares of the Promoters in DAEHL and for the transfer of the aforesaid Shares by the Promoters to the Acquirer;
(b) to render SPA legally valid, binding and enforceable; and
(c) to enable the parties to SPA to perform their obligations under SPA.

including without limitation, the consent letter from SBI being the lender to DAEHL, in respect of the transaction contemplated in the SPA.

(v) The Acquirer shall comply with all its obligations under the SEBI (SAST) Regulations in connection with the Offer, including Regulation 22(16) of the SEBI (SAST) Regulations, and the sale and purchase contemplated in SPA shall not be acted upon in the event of non-compliance with the SEBI (SAST) Regulations by the Acquirer.

Note: SBI vide letter dated March 7, 2011 has given its no objection for transfer of shares held by Dr. Amar Agarwal and others in favour of DAHCL.

e) This is not a Competitive Bid.

f) Upon completion of the Offer and assuming full acceptance of the Offer and taking into account the Sale Shares, the Acquirer will hold 74.9424% of the paid-up share capital of DAEHL.

g) The Acquirer, Target Company and promoters are not prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B of SEBI Act or under any other Regulations made under the SEBI Act.

h) The Offer is not as a result of a global acquisition resulting in indirect acquisition of DAEHL.

i) The Shares under the Offer will be acquired by the Acquirer are free from all liens, charges and encumbrances and together with all rights attached thereto, including all the rights to dividend, bonus and rights offer declared thereof.

j) As on the date of the PA and this LOF, none of the directors of Acquirer or their representatives are on the board of DAEHL.

k) As the Offer Price cannot be revised during seven working days prior to the date of closure of this Offer, it would, therefore, be in the interest of the Shareholders to wait till the commencement of that period to know the final Offer Price and tender their acceptance accordingly.

2.2. Details of the Proposed Offer

a) The PA dated January 17, 2011 was made in the following newspapers, in accordance with Regulation 15 of the SEBI (SAST) Regulations.

Publications	Edition
Financial Express	All editions
Jansatta	All editions
Makkal kural	Chennai, where the Registered office of the Target Company is situated

A copy of the PA will also be available on SEBI's website at www.sebi.gov.in.

b) Pursuant to execution of the SPA, the Acquirer is making this Offer under Regulations 11 of the SEBI (SAST) Regulations to the Public Shareholders of DAEHL to acquire from them upto 20% of the total issued and outstanding voting equity share capital of the Target Company (comprising 9,00,000 Shares) at a price of Rs.159/- (Rupees One Hundred and Fifty Nine Only) per fully paid-up equity share ('***Offer Price***') plus interest of Rs.1.22/- (one rupee twenty two paise only) calculated at the rate of 10% p.a. for 28 days, for delay in the offer schedule, payable to the public shareholders whose shares are accepted pursuant to the Open Offer, in cash.

c) There are no partly paid up Shares in the Target Company.

d) The Acquirer does not hold any equity shares in DAEHL as on the date of this LoF. Further, they have not acquired, any shares of DAEHL during the 12 (twelve) months period preceding the date of this LOF. Further, the Acquirer has not acquired either directly or through any other person, any shares of DAEHL after the date of PA.

e) The Offer is not a conditional offer and is not conditional on any minimum level of acceptance.

f) The Offer is made to all the Public Shareholders of DAEHL.

g) Karvy Investor Services Limited, Manager to the Offer, does not hold any shares of DAEHL as on the date of this LOF and does not intend to deal in the shares of DAEHL till the expiry of the 15 (fifteen) days from the date of closure of the Offer.

3. BACKGROUND OF THE ACQUIRER

3.1 THE ACQUIRER

3.1.1 The Acquirer, Dr. Agarwal's Health Care Limited, was incorporated on 19th April, 2010, by some of the existing promoters of DAEHL. The registered office of the Acquirer is situated at No. 19, Cathedral Road, Chennai - 600 086, Tel. No. +91 -44-2811 6233 / 2811 2592, Fax No. +91-44-2811 5871 in the state of Tamil Nadu. The Acquirer's Corporate Identity No. is U85100TN2010PLC075403.

3.1.2 The authorized capital of the Acquirer, as on date is Rs. 37,10,00,000/- (Rupees Thirty Seven Crores Ten Lakhs Only) which constitutes 21,00,000 equity shares having a par value of Rs. 10/- (Rupees Ten Only) each; 1,00,00,000 10% redeemable non-convertible preference shares ('**RCPS**') having a par value of Rs. 10/- (Rupees Ten Only) each and 25,00,000 0.001% fully and compulsorily convertible cumulative participative preference shares of Rs.100/- (Rupees Hundred only) each ('**CCPS**')and the issued, subscribed and paid up share capital of the Acquirer as on the date is Rs. 37,05,01,000/- (Rupees Thirty Seven Crores Five Lakhs and One Thousand Only) constituted of 20,50,100 equity shares of Rs.10/- each; 1,00,00,000 RCPS of Rs.10/ -each and 25,00,000 CCPS of Rs.100/- each. There are no partly paid-up equity shares of the Acquirer. Other than the CCPS, there are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc., which are convertible into equity shares of the Acquirer on a later date.

3.1.3 The present shareholding pattern of the Acquirer is as follows:

A. Equity Shares:

Sr. No:	Name of Promoter	No. of Equity Shares held	Percentage of Outstanding Equity Shares (%)
1.	Dr. (Mr.) Amar Agarwal	2,66,500	13.00
2.	Dr. (Mrs.) Athiya Agarwal	4,10,000	20.00
3.	Dr. (Mr.) Adil Agarwal	3,89,500	19.00
4.	Dr. (Mr.) Anosh Agarwal	4,10,000	20.00
5.	Dr. (Mr.) Ashvin Agarwal	3,89,500	19.00
6.	Mrs. Farah Agarwal	20,500	1.00
7.	Mrs. Urmila Agarwal	20,500	1.00
8.	Mr. S. Rajagopalan	1,43,500	7.00
9.	EILSF SPV 3	100	0.00
	Total	**20,50,100**	**100.00**

B. Redeemable Non-Convertible Preference Shares:

Sr. No.	Name of Promoter	No. of RNCPS held	Percentage of Outstanding RCPS (%)
1.	Dr. (Mr.) Adil Agarwal	33,33,334	33.34
2.	Dr. (Mr.) Anosh Agarwal	33,33,333	33.33
3.	Dr. (Mr.) Ashvin Agarwal	33,33,333	33.33
	Total	**1,00,00,000**	**100.00**

C. 0.001% fully and compulsorily convertible cumulative participative preference shares of Rs.100/- each*

Sr. No.	Name of Allottee	No. of CCPS held	Percentage of Outstanding CCPS (%)
1.	EILSF SPV 3	25,00,000	100.00
	Total	**25,00,000**	**100.00**

*automatically convertible into Equity Shares of the Company on the completion of 4 years from the date of its issue i.e. on 13th July 2015. EILSF SPV 3 shall comply with the applicable provisions of the SEBI (SAST) Regulations as and when the Compulsorily convertible cumulative participative preference shares get converted.

The equity shares of the Acquirer are not listed on any stock exchange either in India or abroad.

3.1.4 The Acquirer was established to consolidate the shareholding of some of the existing promoters of DAEHL in a single corporate entity and to pursue and provide medical services in the eye care segment. The Acquirer intends to establish at least 20 eye hospitals, primarily in the States of Andhra Pradesh and Karnataka with a few hospitals being set up in the Southern part of Tamil Nadu, by March 2011. The Acquirer has already set-up eye care facilities and has commenced providing eye care services at Bannerghatta Road, Koramangala, Coles Road, Basavangudi, Basaveshwara Nagar, Padmanabha Nagar, Yelahanka in the state of Karnataka, Kukatpally, Dilsukh Nagar, Kukatpally OT, Secunderabad in the state of Andhra Pradesh; and Tirunelveli, Madurai, Tambaram, New Washermenpet and Tuticorin in the state of Tamil Nadu.

3.1.5 As on the date of this LOF, the Promoters and Promoter Group and majority shareholders of Acquirer have complied with all the applicable provisions of Chapter II of the SEBI (SAST) Regulations. The Acquirer did not hold any shares in the past and therefore, the relevant provisions of Chapter II of the SEBI (SAST) Regulations were not applicable.

3.1.6 The Acquirer is managed by a professional Board. The present Directors of the Acquirer are (i) Ms. B. Sudha; (ii) Mr. S. Rajagopalan; (iii) Dr. (Mrs.) Neera Nilesh Kanjani and (iv) Mr.Hariharnath Buggana. It is expected that the vast knowledge and experience of the Board of the Acquirer led by Mr. S. Rajagopalan will assist the Acquirer in implementing its growth plans.

Name of Director	**Father's Name**	**Experience (years)**	**Other Directorship**	**PAN**	**DIN**	**Permanent / Present address**
Mr.S.Rajagopalan ***Designation:***Director ***DoA:*** 16.08.2010 ***DoB:*** 22.06.1967 ***Education: B Sc***	N.Sundaresan	20	Dr.Agarwal's Opticals Ltd. Senses Pharmaceuticals Ltd.	AFFPR6040F	02326171	No 286 11th A Cross J P Nagar 2nd Phase Bangalore Karnataka India 560078
Ms.B.Sudha ***Designation:*** Managing Director ***DoA:*** 16.08.2010 ***DoB:*** 06.06.1947 ***Education:B.A. (Honours)***	G. Balasubramaniam	40	Dr.Agarwal's Pharma Ltd.	AHYPS1055J	01496061	#5, Janaki Avenue Abiramapuram Chennai Tamil Nadu India 600018
Dr.Neera Nilesh Kanjani ***Designation:*** Director ***DoA:*** 16.08.2010 ***DoB:*** 11.07.1976 ***Education: M.B.B.S, Ms (O), DNB***	Mamdani Mansurali Ismailbhai	10	Nil	APXPK2999A	03126619	19,Cathedral Road Chennai Tamil Nadu India 600086
Mr. Hariharnath Buggana Designation: Director DOA:18.01.2011 DOB:22.06.1968 Education:M.s (Chemical Engg.),MBA	Mr.B.S.Ramanath Reddy	19	Gland Pharma Limited	AAOPB7623G	00695002	Plot No.4B,HUDA Enclave, Jubilee Hills, ,Near Andhra Jyoti Building, Journalist Colony,Hyderabad-500033,A.P

3.1.7 The audited financial highlights of DAHCL for the FY 2010-11(audited by M/s M.K. Dandekar & Co. Chartered Accountants) and the unaudited financials for the six months period ended 30th September 2011 as certified by Mr. Sriraman Parthasarathy (Membership No. 206834), Partner of Deloitte Haskins & Sells, Chartered Accountants (ICAI Registration no. 008072S) vide report dated January 11, 2012 are as below:-

(Rs. in lakhs)

Particulars	Audited financials March 31, 2011	Unaudited Half Yearly financials ended September 30, 2011 (subjected to limited review)
Profit and Loss Statement		
Income from Operations	482.53	1,278.90
Other Income	24.04	41.10
Total Income	**506.57**	**1,320.00**
Total Expenditure(including prior period adjustments)	1,283.32	2,090.84
Loss before Depreciation, Interest and Tax	(776.75)	(770.84)
Depreciation & Amortization	80.94	213.27
Interest (including finance charges)	105.24	120.74
(Loss) before Tax	(962.94)	(1,104.85)
Provision for Tax	8.42	(8.42)
(Loss) after Tax	(971.35)	(1,096.43)
Balance Sheet		
Sources of Funds		
Paid up Share Capital	205.01	205.01
10% Cumulative Redeemable Preference Shares	1,000.00	1,000.00
0.001% fully and compulsorily convertible cumulative participatory preference shares	-	2,500.00
Reserves & Surplus	0.24	0.24
Less: Debit balance of Profit & Loss account and Miscellaneous Expenditure	(971.35)	(2,067.78)
Net Worth	**233.90**	**1,637.47**
Secured Loans	533.75	668.05
Unsecured Loans	1,095.14	1,283.50
Deferred Tax Liability (Net)	**8.42**	0
Total	**1,871.21**	**3,589.02**
Uses of Funds		
Net Fixed Assets (including Capital Work in progress)	1,840.26	2,561.15
Net Current Assets	30.95	1,027.87
Total	**1,871.21**	**3,589.02**
Other Financial Data		
Dividend (%)	-	-
Earning Per Share (Rs.)	(47.38)	(55.92)#
Return on Networth (%)	(415)	(67)#
Book Value Per Equity Share (Rs.)	(38.49)	(94.43)

Not annualised

FY2010-11 being the first year of operation, there are no relevant year-to-year comparisons for fall / rise in PAT and Total Income.

3.1.8 Contingent liabilities as on March 31, 2011

Contingent liability not provided for in respect of fixed cumulative preference dividend due to insufficient reserves/profits for the year amounts to Rs.23,01,370/-.

3.1.9 Significant Accounting Policies of the Company (as on 31st March 2011)

a) Basis of preparation of financial statements

The financial statements are prepared in accordance with the Generally Accepted Accounting Principles (GAAP) prevalent in India, under the historical cost convention on the accrual basis. GAAP comprises Mandatory Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act, 1956.

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

b) Use of estimates

The preparation of financial statements in conformity with the Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported value of assets and liabilities, disclosure of contingent assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from the estimates.

c) Inventory

The inventories of all medicines, medicare items and opticals traded and dealt with by the Company are valued at cost or net realizable value whichever is less.

d) Cash Flow Statement

cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the company are segregated.

e) Depreciation and amortization charges

Depreciation on fixed assets has been provided at the rate specified in Schedule XIV of the Companies Act. Depreciation on fixed assets is applied on the Written Down Method.

Depreciation for assets purchased/sold during a period is proportionately charged. Individual low cost assets (acquired for less than Rs.5,000/-) are entirely depreciated in the year of acquisition.

f) Revenue Recognition

Hospital Income is net of discounts – Revenue is recognised as the related services are rendered. Pharmacy sales are stated net of returns, discounts – Revenue is recognized at the time of physical sale. Opticals sales are stated net of returns, discounts – Revenue is recognized at the time of physical sale. Interest is recognized on an accrual basis. Dividend income is recognized when the Company`s right to receive dividend is established.

g) Fixed Assets

Fixed Assets are stated at their original cost of acquisition less accumulated depreciation and impairment losses recognized where necessary. Additional cost relating to the acquisition and installation of fixed assets are capitalized. Improvements made to Leasehold Buildings are being capitalized.

h) Transaction in Foreign Currencies

Exchange differences are recorded on initial recognition in the reporting currency, using the exchange rate at the date of transaction. At each Balance Sheet date, foreign currency monetary items are reported using the closing rate.

Exchange differences that arise on settlement of monetary items or on reporting at each Balance Sheet date of Company`s monetary items at the closing rate are recognized as income or expense in the period in which they arise.

i) Employee Benefits

Defined Contribution Plan

The Company makes contribution towards Provident Funds as a defined contribution retirement benefit fund for qualifying employees.

The Provident Fund plan is operated by the Regional Provident Fund Commissioner. Under the scheme, the company is required to contribute a specific percentage of payroll cost, as per the statute, to the retirement benefit schemes to fund the benefits. Employee State Insurance is remitted to Employee State Insurance Corporation.

j) Defined Benefit Plan

For Defined Benefit Plan the cost of providing benefits is determined using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains or losses are recognized in full in the Profit and Loss Account for the period in which they occur.

- **Gratuity**

  The Company has no Gratuity Scheme as a part of retirement benefit scheme.

- **Leave Encashment Benefits**

  The Company has no Leave Encashment Scheme as a part of retirement benefit scheme.

- **Short term employee benefits**

  Short term employee benefits are recognised as expenses as per Company's scheme based on expected obligation.

k) Segment Reporting

The Company has complied with AS 17 `Segment reporting` issued by the Institute of Chartered Accountants of India, with Business as the primary segment. Revenue and expenses have been identified to segments on the basis of their relationship to the operative activities of the segment. Revenue and expenses which relates to the enterprise as a whole and are not allocable to the segments on a reasonable basis have been included under unallocable expenses. Inter-segment revenue and expenses are eliminated.

l) Earnings Per Share

In determining earnings per share, the Company considers the net profit after tax before extraordinary items. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. And the number of shares used in computing Diluted earnings per share is the weighted average number of shares outstanding during the period.

m) Taxation

- **Income Tax**
  Income taxes are computed using the tax effect accounting method, where taxes are accrued in the same period the related revenue and expenses arise. A provision is made for income tax annually based on the tax liability computed. After considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

- **Deferred Tax**
  The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified and thereafter a deferred tax asset of deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reversed in another, based on prevailing enacted or substantially enacted regulations.

  Deferred Tax Assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

n) Provision, Contingent Liabilities and Contingent Assets

A provision is recognized when the company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are not provided for unless a reliable estimate of probable outflow to the company exists as at the balance sheet date. Contingent assets are neither disclosed nor recognized in the financial statements.

3.1.10 The Acquirer also intends to draw on the experience and resources of DAEHL in managing its eye care business. The Acquirer and DAEHL will enter into a resource sharing agreement in this regard and DAEHL will be paid royalty, as a percentage of net revenue, for providing such support. All transaction between the Acquirer and DAEHL will be on an arms-length basis.

3.1.11 To finance its growth plans, the Acquirer has entered into an agreement dated January 11, 2011 with the Investor.

3.1.12 Some of the shareholders of the Acquirer, namely, (i) Dr. (Mr.) Amar Agarwal; (ii) Dr. (Mrs.) Athiya Agarwal; (iii) Dr. (Mr.) Adil Agarwal; and (iv) Dr. (Mr.) Anosh Agarwal, are also Promoters of the Target Company and are on the Board of Directors of the Target Company. However, none of them represent the Acquirer.

3.1.13 There are no pending litigations / disputes / defaults / statutory or otherwise, against the Acquirer as on the date of this LOF.

3.2 Investor

3.2.1 The Investor is a private equity fund which provides growth capital to established companies in the Indian pharmaceutical / healthcare sector. EILSF SPV 3 (Investor) is a 100% subsidiary of Evolvence India Life Sciences Fund, LLC (EILSF), a company registered under the laws of Mauritius. EILSF is mandated to invest in companies operating in the Indian life sciences sector. The fund invests in small to mid-sized (USD 10 million to USD 250 million in revenue) companies with unique capabilities needed to effectively compete in the markets in which they operate. Among others, the fund invests in:

- Active Pharmaceutical Ingredient (‘***API***’) and Finished Dosage manufacturers
- Contract Research Organizations
- Disease Management companies
- Diagnostic Services companies
- Biopharmaceutical / Biotechnology companies
- Medical Device manufacturers
- Healthcare delivery/hospital chains

In addition to providing the capital, the fund assists portfolio companies in creating significant value.

3.2.2 The Investor proposes to invest a total amount of up to Rs. 60,00,00,000/- (Rupees Sixty Crores Only) which will be utilised to finance the roll-out of eye care hospitals and services.

3.2.3 The Investor does not hold any securities of the Target Company and there is no person representing the Investor on the Board of Directors of the Target Company as on the date of this LOF.

4. DISCLOSURE IN TERMS OF REGULATION 16(ix) AND OBJECTS OF THE OFFER & FUTURE PLANS

4.1 Disclosure in terms of Regulation 16(ix)

4.1.1 The Acquirer does not have any plan to dispose-off or otherwise encumber any assets of DAEHL within 2 (two) years from the date of closure of the Offer except in the ordinary course of business of DAEHL with prior approval of DAEHL's shareholders and in accordance with and subject to applicable laws, permissions and consents, if any.

4.1.2 Further, the Acquirer undertakes that in the next two years they shall not sell, dispose of or otherwise encumber any substantial asset of DAEHL except with the prior approval of DAEHL's shareholders.

4.2 Objects of the Offer and Future Plans

4.2.1 As stated in para "Background of the Offer" above, this Offer is pursuant to Regulation 11 and other applicable provisions of the Regulations involving substantial acquisition of shares or voting rights without change in control or management.

4.2.2 This Offer has been made pursuant to Regulation 11 and other provisions of Chapter III of SEBI (SAST) Regulations and in compliance with the regulations for the purposes of consolidation of holdings.

4.2.3 DAEHL has recently completed implementation of a major expansion plan and now has 31 (Thirty One) eye hospitals in operation. DAEHL will benefit from the growth of these hospitals. In addition, the Acquirer also intends to support DAEHL in raising further resources for growth, if needed, including by way of making additional investments in DAEHL.

5. DELISTING / CONTINUOUS LISTING OPTION TO THE ACQUIRER IN TERMS OF REGULATION 21(2)

The minimum public shareholding required for continuous listing of the Shares of the Target Company is 25% (twenty five) of the paid up equity share capital. Post Open Offer, if the public shareholding falls to a level below the minimum public holding required for continuous listing, the Acquirer has undertaken to take necessary steps to facilitate compliance by DAEHL with the relevant provisions thereof in terms of the provisions of regulation 21(2) of SEBI (SAST) Regulations (i.e., to enable DAEHL to raise the level of public shareholding, to the levels specified for continuous listing specified in the listing agreement with Stock Exchange, within the prescribed period). Therefore, pursuant to this Offer, there will be no violation of Clause 40A of the listing agreement of DAEHL with Stock Exchange on which its equity shares are listed and the equity shares will continue to be listed.

6. BACKGROUND OF THE TARGET COMPANY

6.1 DAEHL, incorporated as Dr. Agarwal's Eye Hospital Limited on April 22, 1994, obtained its certificate of commencement of business on July 12, 1994. The main promoters of DAEHL, Late Dr. (Mr.) J Agarwal and his family members, have been engaged in providing total eye care services for the past five decades and have a track record of successfully running DAEHL. DAEHL came out with its Initial Public Offer ('***IPO***') on January 23, 1995. DAEHL has been at the forefront of all medical advancements in the field of ophthalmic care. It is also engaged in conducting continuous training and research and development programs and has over a period, developed an eminent team of ophthalmic specialists and surgeons. The present directors of DAEHL are: (i) Dr. (Mr.) Amar Agarwal; (ii) Dr. (Mrs.) Athiya Agarwal; (iii) Dr. (Mr.) Adil Agarwal; (iv) Dr. (Mr.) Anosh Agarwal; (v) Mr. M. R. G. Apparao; (vi) Dr. (Mr.) Jasvinder Singh Saroya; (vii) Mr. Prabhat Toshniwal; and (viii) Mr. Sanjay Anand.

6.2 The registered office of the Target Company is situated at 19, (Old No.13) Cathedral Road, Chennai - 600086, in the state of Tamil Nadu. Tel. No.:91 44 2811 6233 / 2811 2592 Fax No: 91 44 2811 5871. The Target Company's Corporate Identity No. is 18-27366.

6.3 Target Company has the following branches in Chennai; Cathedral Road, Gopalapuram, Periyar Nagar, Anna Nagar, Nungambakkam, Nanganallur, Triplicane, Ashok Nagar, Avadi, Porur, Velachery and Kolathur. In the rest of Tamil Nadu the branches are Kanchipuram, Villupuram, Vellore, Kumbakonam, Tiruvallur, Erode, Hosur, Krishnagiri, Dharmapuri, Salem, Neyveli, Idappadi, Panrutti, Gugai, Elampillai, Chithode, and Bhavani. Outside Tamil Nadu, the branches are in Chittoor in Andhra Pradesh and Jaipur in Rajasthan.

6.4 The authorized capital of the Target Company, as on date of the LoF, is Rs. 20,00,00,000/- (Rupees Twenty Crores Only) divided into 2,00,00,000 Equity Shares. The issued, subscribed and paid-up capital, as on the date of the LoF, is Rs. 4,50,00,000/- (Rupees Four Crore Fifty Lakhs Only) comprising of 45,00,000 Equity Shares. There are no partly paid-up Equity Shares and no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc., which are convertible into equity shares on a later date.

6.5 The equity shares of DAEHL are listed on BSE and MSE. DAEHL has applied for voluntary delisting of its equity shares under Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003, from the MSE vide their letter dated September 30, 2009, pursuant to special resolution passed at the Annual General Meeting of the Target Company held on August 12, 2008. DAEHL has sent several reminders to MSE. However, the response for de-listing of shares of the Target Company from the stock exchange is still awaited. The equity shares of DAEHL continue to be listed and traded on the BSE and DAEHL has complied with all the provisions of the Listing Agreement till the date of LoF and no punitive action has been initiated by the Stock Exchanges. There has been no suspension of trading at any of the Exchanges. However, the Target Company had received a letter Ref. No. CFD/DCR/RC/TO/23040/04 dated November 16, 2004 from SEBI citing non compliances of Regulations 6(2), 6(4) of SEBI (SAST) Regulations for 1997; Regulation 8(3) of SEBI (SAST) Regulations for 1998, 1999, 2000, 2001 and Regulation 8(3) of SEBI (SAST) Regulations for Record Date for 1998, 1999, 2000, 2001 and 2002. The Target Company had replied vide its letter dated November 25, 2004, enclosing the status report on compliance from MSE and stating that it had been regularly filing the disclosures under Regulation 8(3) of SEBI (SAST) Regulations. A reply from the Adjudicating Officer in this matter is awaited. The Target Company has requested BSE for the status on compliance vide their letter dated January 29, 2007 for which a reply is awaited. For the non-compliances with Regulation of SEBI (SAST) Regulations, 1997, if any, suitable action may be initiated by SEBI against DAEHL.

6.6 As per the audited financial results for the half-year ended September 30, 2011, DAEHL has reported a Total Income of Rs. 5,440.42 lakhs and Profit after Tax of Rs. 163.61 lakhs. As on September 30, 2011, the paid-up equity share capital was Rs. 4,50,00,000/- (Rupees Four Crore Fifty Lakhs Only), whereas, the Networth (excluding revaluation reserves) was Rs. 1316.03 lakhs and the Book Value per equity share stood at Rs. 29.25

6.7 The trading details of the Target Company as on the date of the Draft LOF are as under:

Date	**Open Price**	**High Price**	**Low Price**	**Close Price**	**WAP**	**No. of Shares**
11/01/2011	70.10	79.80	70.10	72.60	75.58	3,608
12/01/2011	79.60	79.60	71.15	71.35	71.37	501
13/01/2011	68.05	78.30	68.05	76.95	74.00	38
14/01/2011	80.85	80.85	76.95	76.95	77.00	65
17/01/2011	84.60	84.60	84.60	84.60	84.60	2,161
18/01/2011	93.05	93.05	88.00	88.20	90.35	37,770
19/01/2011	88.00	91.15	88.00	88.30	88.34	41,473
20/01/2011	89.85	93.80	89.85	92.15	90.95	14,116
21/01/2011	88.50	94.00	88.50	89.50	90.25	3,225
24/01/2011	92.70	92.70	90.00	91.10	91.22	2,378
25/01/2011	93.95	93.95	87.80	88.30	89.09	6,843
27/01/2011	89.90	90.50	88.95	89.80	89.65	15,461

(*Source*: www.bseindia.com)

6.8 The capital built up since inception is as under:

Date of Allotment	No. and % of Shares Issued	Cumulative Paid Up Capital	Mode of Allotment	Identity of Allottees (Promoters/ Ex-Promoters/ Others)	Status of Compliance
07/05/1994	700 (0.06%)	700	Subscribers to the Memorandum	Promoters	Complied
29/11/1994	15,09,300 (33.54%)	15,10,000	Cash at par	Promoters	Complied
21/03/1995	13,40,000 (29.78%)	28,50,000	IPO	Others	Complied
12/08/1995	4,00,000 (8.89%)	32,50,000	IPO	Others	Complied
10/02/2007	12,50,000 (27.78%)	45,00,000	Preferential Allotment of equity shares	Promoters	Complied

As on the date of this LOF, DAEHL, the Promoters and Promoter Group, Sellers and majority shareholders have complied with all the applicable provisions of Chapter II of the SEBI (SAST) Regulations.

6.9 The Board of Directors of DAEHL as on the date of this LOF:

Sr. No.	Name	Designation	Date of Appointment
1.	Dr. Amar Agarwal	Chairman cum Managing Director	April 22, 1994
2.	Dr. Athiya Agarwal	Whole Time Director	May 09, 1994
3.	Dr. Adil Agarwal	Whole Time Director	March 28, 2005
4.	Dr. Anosh Agarwal	Whole Time Director	May 19, 2009
5.	Dr. Jasvinder Singh Saroya	Independent Non-Executive Director	September 01, 2003
6.	Mr. M. R. G. Apparao	Independent Non – Executive Director	March 29, 2003
7.	Mr. Prabhat Toshniwal	Independent Non – Executive Director	March 28, 2005
8.	Mr. Sanjay Anand	Independent Non – Executive Director	January 27, 2009

None of the above persons represent the Acquirer.

Brief profile of the Directors

a) Dr. Amar Agarwal, aged 51 years, is an MS, FRCS, FRC Opthal. He is an Ophthalmologist by profession. He is associated with the Target Company since incorporation. He has over 19 years of experience in the field of medical sciences. He serves the Target Company in the capacity of Chairman - cum - Managing Director. He was appointed on the Board of Directors on April 22, 1994.

b) Dr. Athiya Agarwal, aged 55 years, is an MD, FRSH (London), DO. She is associated with the Target Company since incorporation. She has over 19 years of experience in the field of medical sciences. She serves the Target Company in the capacity of a Whole Time Director. She was appointed on the Board of Directors on May 09, 1994.

c) Dr. Adil Agarwal, aged 28 years, is an MS graduate. He has about 2 years experience in the field of medical sciences. He serves the Target Company in the capacity of a Whole Time Director. He was appointed on the Board of Directors on March 28, 2005.

d) Dr. Anosh Agarwal, aged 26 years, is an MS graduate and has about one year experience in the field of medical sciences. He was appointed on the Board as a Whole Time Director on May 19, 2009.

e) Dr. Jasvinder Singh Saroya, aged 50 years, is an MBBS, MNAMS, DO, DNB, FCLI and has over 16 years of experience as a medical professional. He was appointed on the Board as an Independent Non-Executive Director on September 01, 2003.

f) Mr. M. R. G. Apparao, aged 65 years, a Post Graduate in Management from Indian Institute of Management, Calcutta has a vast experience as a consultant in various industries. He was appointed on the Board as an Independent Non-Executive Director on March 29, 2003.

g) Mr. Prabhat Toshniwal, aged 56 years, is a Bachelor of Science graduate. He has over 20 years of experience in his own business. He was appointed on the Board as an Independent Non-Executive Director on March 28, 2005.

h) Mr. Sanjay Anand, aged 51 years, is a commerce graduate and a qualified Chartered Accountant and has a vast experience in the field of finance and accounts. He was appointed on the Board as an Independent Non-Executive Director on January 27, 2009.

6.10 There have been no mergers/ de-mergers /spin-offs during the past 3 (three) years involving DAEHL.

6.11 Brief Financials of DAEHL:

Brief financials of DAEHL certified by Statutory Auditors of the Target Company, M/s. M. K. Dandeker & Co, Chartered Accountants, based on audited financial statements for the years ending March 31, 2009, 2010 and 2011 and the audited statements for the six months period ended September 30, 2011 by M/s. M. K. Dandeker & Co.

(Rs. in Lakhs)

Particulars	**March 31, 2009**	**March 31, 2010**	**March 31, 2011**	**Audited Half Year ended September 30, 2011**
Profit and Loss Statement				
Income from Operations	7,277.07	8,797.16	10,275.30	5,326.39
Other Income	52.90	92.32	146.37	114.03
Total Income	**7,329.97**	**8,889.48**	**10,421.68**	**5,440.42**
Total Expenditure	6,330.79	7,721.23	8,996.45	4,688.73
Profit before Depreciation, Interest and Tax	999.18	1,168.25	1,425.23	751.69
Depreciation & Amortization	547.57	613.96	601.51	289.26
Interest	391.18	424.96	426.13	216.32
Impairment Loss	0	30.14	36.03	0
Profit before Tax	60.43	99.21	361.56	246.11
Provision for Tax	40.20	46.80	156.61	82.50
Profit after Tax	**20.23**	**52.41**	**204.94**	**163.61**
Balance Sheet				
Sources of Funds				
Paid up Share Capital	450.00	450.00	450.00	450.00
Reserves & Surplus (excluding revaluation reserves)	550.37	560.66	702.64	866.03
Net Worth	**1,000.37**	**1,010.66**	**1,152.64**	**1,316.03**
Secured Loans	2,993.43	3,136.93	3,016.38	3,097.29
Unsecured Loans	113.65	35.65	-	-
Deferred Tax Liability (Net)	31.91	31.91	31.91	31.91
Total	**4,139.36**	**4,215.15**	**4,200.92**	**4,445.23**
Uses of Funds				
Net Fixed Assets	2,701.64	2,886.97	2,477.59	2,356.83
Investments	3.19	3.19	3.19	3.19
Net Current Assets	1,434.52	1,324.99	1,720.14	2,085.21
Total miscellaneous expenditure not written off	-	-	-	-
Total	**4,139.36**	**4,215.15**	**4,200.92**	**4,445.23**

Other Financial Data				
Dividend (%)	-	8	12	-
Earning Per Share (Rs.)	0.45	1.16	4.55	*3.64
Return on Networth (%)	2.02	5.19	17.78	*12.43
Book Value Per Share (Rs.)	22.23	22.46	25.61	29.25

*non-annualized

Formulas for above referred Financial Ratios:

1. Earning Per Share = Profit (Loss) After Tax / Number of Equity Shares
2. Return on Networth = Profit (Loss) After Tax / Networth
3. Book Value per share = Networth / Number of Equity shares

6.12 Reasons for fall/rise in PAT or Total Income during above period:

For period September 30, 2011 vis-à-vis September 30, 2010

During the half-year ended September 30, 2011, the Target Company had achieved a turnover of Rs. 5,440.42 lakhs which was 4.02% increase over the corresponding half-year ended September 30, 2010. The PAT for the half-year ended September 30, 2011 was Rs. 163.61 lakhs as compared to the of Rs. 160.00 lakhs during the corresponding half-year ended September 30, 2010.

For the period March 31, 2011 vis-à-vis March 31.2010

During the year 2010-11, the Target Company had achieved a turnover of Rs. 10,421.68 lakhs, which was 17% increase over the previous year. The PAT for the year 2010-11 was Rs. 204.94 lakhs as against Rs.52.41 lakhs which was an increase of Rs. 152.53 lakhs over the previous year. This was due to the consolidation in the performance of the existing hospitals.

For period March 31, 2010 vis-à-vis March 31, 2009

During the year 2009-10, the Target Company had achieved a turnover of Rs. 8,889.48 lakhs , which was 21% increase over the previous year. The PAT for the year was Rs. 52.41 lakhs which was an increase of Rs. 32.18 lakhs over the previous year. This was due to the consolidation in the performance of the existing and new hospitals.

For period March 31, 2009 vis-à-vis March 31, 2008

During the year 2008-09, the total income raised by 77% from Rs.4,139.79 lakhs to Rs. 7,329.97 lakhs. However, the PAT increased by Rs.4.79 lakhs compared to the previous year. The low PAT was on account of higher depreciation and set-up costs incurred during the year for the expansion of 4 new Eye Hospitals in Chennai city and Tamil Nadu.

6.13 Pre- and post-Offer shareholding pattern of DAEHL:

As on January 21, 2012

Shareholders' Category	Shareholding & voting rights prior to the agreement/ acquisition and offer		Shares/voting rights agreed to be acquired which triggered off the Regulations		Shares/voting rights to be acquired in open offer (Assuming full acceptances)		Shareholding/voting rights after the acquisition and offer	
	No. of shares	*%*	*No. of Shares*	*%*	*No. of Shares*	*%*	*No. of Shares*	*%*
(1) Promoter group								
a. Parties to agreement, if any	24,72,408	54.94	-	-	-	-	-	-
b. Promoters other than (*a*)*	1,47,800	3.28	-	-	-	-	1,47,800	3.28
c. Acquirer	-	-	24,72,408	54.94	9,00,000	20	33,72,408	74.94
Total	**26,20,208**	**58.23**	**24,72,408**	**54.94**	**9,00,000**	**20**	**35,20,208**	**78.23**
(2) Parties to SPA other than (1)	-	-	-	-	-	-	-	-
TOTAL	**26,20,208**	**58.23**					**35,20,208**	**78.23**
(3) Public (other than parties to SPA, Acquirer)								
a. Body Corporate / OCBs / Clearing Members	9,71,176	21.58			(9,00,000)	(20)	9,79,792	21.77
b. Others	9,08,616	20.19						
Total (3)(*a+b*)	**18,79,792**	**41.77**			(9,00,000)	(20)	**9,79,792**	**21.77**
Grand Total (1+2+3)	**45,00,000**	**100.00**			**-**	**-**	**45,00,000**	**100.00**

***** Sunita Agarwal, Pankaj Sondhi and R R Sasi Kanth

Total number of shareholders in Public category – 2,536

The Acquirer has not purchased any shares of the Target Company from the date of Public Announcement till the date of this Letter of Offer.

6.14 The changes in the shareholding of the Promoters are as per the details mentioned below:

Date	Opening Balance - Promoter group (No. of shares)	Opening Capital (No. of shares of ` 10/- each)	Opening % holding - promoter group	Name of promoter	No of shares Acquired	Mode of Acquisition (Memorandum/IPO/FPO/Market Purchases/Preferential Allotment/Rights Issue/Bonus Shares/Inter-se-transfer etc.,)	No of shares sold	Closing Capital (No. of shares of ` 10/- each)	Closing holding - promoter group	Closing % holding - promoter group (No. of shares)	Increase / Decrease in percentage holding - Promoter Group (+/- %)	Compliance status
31.03.2007	25,93,788											
18.09.2007	25,93,788	45,00,000	57.64	Dr. Adil Agarwal	4,646	Open Offer	0	45,00,000	25,98,434	57.74	0.10	Complied
18.09.2007	25,98,434	45,00,000	57.74	Dr. J Agarwal	2,324	Open Offer	0	45,00,000	26,00,758	57.79	0.05	Complied
18.09.2007	26,00,758	45,00,000	57.79	Dr Mrs T Agarwal	2,324	Open Offer	0	45,00,000	26,03,082	57.85	0.06	Complied
18.09.2007	26,03,082	45,00,000	57.85	Dr Anosh Agarwal	4,646	Open Offer	0	45,00,000	26,07,728	57.95	0.10	Complied
18.09.2007	26,07,728	45,00,000	57.95	Dr Athiya Agarwal	4,646	Open Offer	0	45,00,000	26,12,374	58.05	0.10	Complied
29.10.2008	26,12,374	45,00,000	58.05	Dr. Amar Agarwal	200	Open Market	0	45,00,000	26,12,574	58.06	0.01	Not Applicable
03.11.2008	26,12,574	45,00,000	58.06	Dr. Amar Agarwal	100	Open Market	0	45,00,000	26,12,674	58.06	0.00	Not Applicable
10.11.2008	26,12,674	45,00,000	58.06	Dr. Amar Agarwal	200	Open Offer	0	45,00,000	26,12,874	58.06	0.00	Not Applicable
14.11.2008	26,12,874	45,00,000	58.06	Dr. Amar Agarwal	600	Open Market	0	45,00,000	26,13,374	58.07	0.01	Not Applicable
18.11.2008	26,13,374	45,00,000	58.07	Dr. Amar Agarwal	1,500	Open Offer	0	45,00,000	26,14,874	58.11	0.04	Not Applicable
12.05.2010	26,14,874	45,00,000	58.11	Dr. Ashwin Agarwal	3,330	Open Market	0	45,00,000	26,18,204	58.18	0.07	Not Applicable
13.05.2010	26,18,204	45,00,000	58.18	Dr. Ashwin Agarwal	1,904	Open Market	0	45,00,000	26,20,108	58.22	0.04	Not Applicable
29.03.2011	26,20,108	45,00,000	58.22	As mentioned below the table $	3,18,274	Transmission	3,18,274	45,00,000	26,20,108	58.22	0.00	Not applicable

$ 3,18,274 Equity Shares of DAEHL held by Dr. (Mrs.) T Agarwal has been transmitted to her legal heir, Dr.Ashwin Agarwal one of the member of the Promoter Group

6.15 Other details

6.15.1 Status of Corporate Governance compliances by DAEHL: As M/s. M K Dandeker & Co., Chartered Accountants, the Statutory Auditors of the Target Company, vide their certificate dated 17th May 2011have certified that the Target Company has complied with the conditions of corporate governance as stipulated in clause 49 of the listing agreement with the Stock Exchanges. (Source: Annual Report 2010-11).

6.15.2 Details of pending litigations / suits filed against DAEHL as on January 23rd, 2012

Nature : Civil

S.No.	Case No.	Parties Name	Status	Amount Claimed
1	C.C.58/07	P.V.Kalaiselvan	Proof of Affidavit of Opposite Parties	Rs.30,58,529.97
2	F.A.201/2010	Dr.N.Sridhar	Appeal filed by the Hospital against District Forum order awarding a sum of Rs.50,000/- + 5000/- Next hearing date – 31.01.2012	NA
3	F.A.804/2010	Dr.N.Sridhar	Appeal filed by Dr.N.Sridhar for enhancing the awarded amount of Rs.50,000/- + 5000/- Next hearing date – 31.01.2012	NA
4	C.C.115/08	Navaneetham	Oral arguments of both sides, case is posted to 08.02.2012	Rs.10,00,000
5	C.C75/11	V.Venugopal	Posted for both sides Proof Affidavit on 25.01.2012	Rs.19,10,000
6	CMP 96/11 in CCSR 246/10	K.Punniyakoti, Villivakkam	Condone delay petition filed by petitioner / Complainant in filing the complaint is pending – case posted to 24.01.2012	Only after condonation of delay, complaint will be numbered and amount claimed will be known.
7	C.C.No.682 of 2004	C.K.Subramanian Vs Dr.J.Lakshmanan & 3 Others	Consumer Miscellaneous Petition (C.M.P) pending for impleading the doctors of Dr.Agarwal`s Eye Hospital, posted on 06.02.2012	Rs.1,53,700
8	CMP. No.467 of 10 In CCSR 832/09 DCDRF, Chennai South	P.L. Munusamy Vs Dr.Agarwal`s Hospital	CMPs filed to condone the delay in representation of the complaint and for amendment of the cause title. Notice issued to the Respondent in amendment petition for 24.01.2012	Only after condonation of delay, complaint will be numbered and amount claimed will be known.

Name and other Details of Compliance Officer:

Dr. Amar Agarwal
Chairman and Managing Director,
Dr Agarwal's Eye Hospital Ltd,
19, (Old No.13) Cathedral Road,
Chennai-600086
Tel No: 91 44 2811 2811
Fax No: 91 44 2811 1205

7. OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1 Justification of Offer Price

7.1.1 The shares of the Target Company are listed on BSE (Indonext) and MSE.

7.1.2 There are no outstanding convertible instruments (warrants/ FCDs/PCDs) etc.

7.1.3 The annualized trading turnover in the Shares of DAEHL on BSE based on trading volume during the period July 1, 2010 to December 31, 2010 (i.e., 6 (six) calendar months preceding the month in which the PA is made) is as given below:

Name of the Stock Exchange	Total Number of Equity Shares traded during the 6 (six) calendar months prior to the month in which PA was made	Total Number of Equity Shares	Annualised Trading Turnover (in terms of % to total listed Equity Shares)
BSE	3,81,435	45,00,000	16.96%
MSE	NIL	4,500,000	NIL

(Source: www.bseindia.com)

The Acquirer has filed an application dated Wednesday, January 12, 2011 and sought trading volume data on MSE. MSE in its reply to the Acquirer has mentioned that there has not been any trading in the Shares of DAEHL during the requested period. The Equity Shares of DAEHL are frequently traded on BSE and infrequently traded on MSE.

7.1.4 As the shares of the DAEHL have been traded frequently at BSE where they are listed during the preceding six calendar months prior to the month of the PA. The price in terms of Regulation 20(4) of the Regulations has been determined taking into account the following parameters:

a)	Negotiated Price @	:	Rs.159
b)	Highest Price paid by the Acquirer for acquisition, including by way of allotment in a public or rights or preferential issue during the twenty six week period prior to the date of PA	:	Not applicable
c)	The average of the weekly high and low of the closing prices of the shares of DAEHL on Stock Exchange, during 26 weeks period preceding the date of the Public Announcement	:	77.32
d)	The average of the daily high and low of the prices of the shares of DAEHL, during 2 weeks preceding the date of the Public Announcement	:	74.88

The weekly high and low of the closing prices of the shares during the 26 weeks period ended the last trading date before the Public announcement are given below:

Week No.	**Week ending**	**Weekly High (Rs.)**	**Weekly Low (Rs.)**	**Weekly Average (Rs.)**	**Volume**
1	Friday, January 14, 2011	76.95	71.35	74.15	5414
2	Friday, January 07, 2011	75.05	72.30	73.68	1362
3	Friday, December 31, 2010	77.70	74.00	75.85	1405
4	Friday, December 24 , 2010	80.95	77.00	78.98	524
5	Thursday, December 16, 2010	79.80	76.75	78.28	926
6	Friday , December 10, 2010	80.00	76.00	78.00	4956
7	Friday, December 03, 2010	80.15	75.55	77.85	4134
8	Friday, November 26, 2010	82.95	77.15	80.05	2767
9	Friday, November 19, 2010	80.75	79.30	80.03	12267
10	Friday, November 12, 2010	84.50	77.95	81.23	7080
11	Friday, November 05 , 2010	85.90	73.95	79.93	3856
12	Friday, October 29, 2010	83.20	77.80	80.50	16769
13	Friday, October 22, 2010	80.00	75.15	77.58	21607
14	Friday, October 15 , 2010	77.90	75.05	76.48	3389
15	Friday, October 08, 2010	77.40	75.00	76.20	3547
16	Friday , October 01 , 2010	77.00	72.50	74.75	6516
17	Friday , September 24 , 2010	79.00	74.20	76.60	22328
18	Friday , September 17 , 2010	80.85	78.90	79.88	11637
19	Thursday, September 09, 2010	79.80	75.85	77.83	4173
20	Friday, September 03 , 2010	82.50	76.55	79.53	12826
21	Friday, August 27, 2010	84.00	77.05	80.53	824
22	Friday, August 20, 2010	82.75	75.15	78.95	13577
23	Friday, August 13, 2010	81.55	78.00	79.78	19244
24	Friday , August 06, 2010	82.45	78.65	80.55	32611
25	Friday, July 30, 2010	82.40	64.10	73.25	94807
26	Friday, July 23, 2010	62.70	57.00	59.85	26228
	26 Weeks Average			**77.32**	

The daily high and low prices of the Equity Shares of DAEHL, during the 2 weeks period ended January 14, 2011 (being the last trading day prior to the date of Public announcement) are given below:

2 Weeks					
S.no.	**Date**	**Daily High (Rs.)**	**Daily Low (Rs.)**	**Daily Average (Rs.)**	**Volume**
1	Friday, January 14, 2011	80.85	76.95	78.90	65
	Thursday, January 13, 2011	78.30	68.05	73.18	38
	Wednesday, January 12, 2011	79.60	71.15	75.38	501
	Tuesday, January 11, 2011	79.80	70.10	74.95	3608
	Monday, January 10, 2011	75.05	72.00	73.53	1202
2	Friday, January 07, 2011	78.50	70.15	74.33	1100
	Thursday, January 06, 2011	74.00	72.30	73.15	255
	Wednesday, January 05, 2011	78.75	72.50	75.63	2
	Tuesday, January 04, 2011	75.05	72.10	73.58	2
	Monday, January 03, 2011	78.35	71.15	74.75	3
	2 Weeks Average			**74.88**	

7.1.5 The Offer Price in terms of Regulation 20(5) of the SEBI (SAST) Regulations has been determined taking into account the following parameters:-

a.	The Negotiated Price @	Rs. 159
b.	Highest Price paid by the Acquirer for acquisition, if any, including by way of allotment in a public or rights issue or Preferential Issue during the 26 (twenty six) weeks prior to the date of PA	N. A.
c.	**Other Financial Parameters**	**Based on Audited Results upto September 30, 2010 (6 (Six) months)**
	Return on Net-worth (%)	13.66
	Earnings / (Loss) per Share (Rs.)	3.55
	Price Earnings Multiple (P/E) (***as on January 14, 2011 on BSE***)	20.61
	Average Industry PE (*)	39.40
	Book Value (Rs. per equity share) (***as on September 30, 2010***)	26.02

Source for information: "Capital Market, January 10 – 23, 2011 (as on 03/01/2011) under the Segment-* ***Healthcare**"*.

(@): In terms of the SPA dated Tuesday, January 11, 2011, the Acquirer has agreed to issue and allot 7,92,089 equity shares of face value of Rs. 10/- (Rupees Ten Only) each of the Acquirer to the Promoters, in consideration for purchase of 24,72,408 Shares of the Target Company in the ratio of 1 : 3.12 (i.e. one (1) equity share of the Acquirer for every 3.12 equity shares of the Target Company). The Acquirer and the Promoters have negotiated and arrived at the said Exchange Ratio. Whereas, the Acquirer has agreed to issue and allot equity share at Rs. 247.60 per share of face value of Rs. 10/- each of the Acquirer to the Investor (against the derived value of Rs. 232.54 per share, as on January 7, 2011). And, the equity share price of the Target Company, i.e. DAEHL has been taken at Rs. 79.33 per share (against 26 weeks average price of Rs. 77.32 per share).

However, SEBI is of the view that the parties to the SPA are not independent and the price negotiated by them may not be considered to be at arms-length price. Therefore, SEBI, in exercise of its powers under the section 11(B) of SEBI Act read with Section 11(2)(h) of SEBI Act, 1992 appointed Haribhakti and Co., Chartered Accountant, as an independent valuer to determine the fair value of equity shares of Target Company, which has interalia opined the fair value of Target Company as Rs.159/- per share.

In addition to the Offer Price, interest at the rate of 10% p.a. i.e. Rs.1.22 (one rupee twenty two paise only) per share is payable to the public shareholders of the Target Company whose Shares are accepted pursuant to the open offer, for the delay of 28 days in the offer schedule i.e. from January 7, 2012 to February 03, 2012. Total consideration, therefore works out to Rs.160.22 per share (i.e. Offer Price of Rs.159/- per share plus interest for delay Rs.1.22 per share)

In view of the above, the offer price of Rs. 159/- per share plus interest of Rs.1.22 per share, is justified in terms of the Regulations.

7.1.6 There is no non-compete fees payable under the SPA.

7.1.7 If the Acquirer acquires Shares after the date of PA upto 7 working days prior to the closure of the offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all the Shares tendered in the Offer and accepted under the Offer.

7.2 Financial Arrangements

7.2.1 Assuming full acceptance in the Offer, the maximum consideration for acquisition of 9,00,000 fully paid-up Shares of face value of Rs. 10/- each of DAEHL, at an Offer Price of Rs.159/- per share is Rs. 14,31,00,000/- (Rupees Fourteen Crores Thirty One Lakhs Only).

Interest at the rate of 10% per annum i.e. Rs. 1.22 per Share is payable to the Public Shareholders of the Target Company and whose shares are accepted pursuant to the Open Offer, for delay of 28 days in the offer schedule i.e. From January 7, 2012 to February 03, 2012.

In view of the above, total purchase consideration payable by the Acquirer in case of full acceptance of this Offer, would be Rs.14,41,98,000 /- (Fourteen crores forty one lakhs ninety eight thousand only) for acquisition of 9,00,000 Equity Shares for a consideration of Rs.160.22 per share (offer price of Rs.159 per share plus interest of Rs.1.22 per share)

7.2.2 The Acquirer has made firm financial arrangements to meet their obligations in full under the Offer. In accordance with the provisions of Regulation 28(2) of the SEBI (SAST) Regulations, the Acquirer has created an Escrow Account as under:

7.2.2.1 Bank Guarantee for Rs**.** 9,00,00,000/- (Rupees Nine Crores Only) towards part consideration. The bank guarantee was originally valid upto July 13, 2011 which was renewed upto July 13, 2012. The said Bank Guarantee Bearing No. 11650100000269 has been issued by Axis Bank Limited, Corporate Banking Branch, Ground Floor, Karumuthu Nilayam, No. 192, Anna Salai. Chennai – 600 002 in favour of the Manager to the Offer.

7.2.2.2 Cash Deposit of Rs. 5,57,00,000/- (Rupees Five Crores Fifty Seven Lakhs Only) with Axis Bank Limited, No. 82, Radhakrishnan Salai, Mylapore, Chennai – 600 004. The said Cash Deposit is maintained in the Escrow Account Bearing No. 911020002440603.

7.2.3 The Manager to the Offer, Karvy Investor Services Limited, has been empowered to operate the Escrow Account. Axis Bank Limited, No. 82, Radhakrishnan Salai, Mylapore, Chennai – 600 004 has marked a lien on the Escrow Account in favour of Manager to the Offer and is empowered to realise the value of the aforesaid Escrow Account.

7.2.4 Mr. Sriraman Parthasarathy, Partner (Membership No. 0206834) of M/s. Deloitte Haskins & Sells, Chartered Accountants (ICAI Registration No. 008072S), having their address at ASV N Ramana Towers, 52, Venkat Narayana Road, T Nagar, Chennai – 600 017; Tel. No.: 91 44 6688 5000; has certified that the Networth of Dr. Agarwal's Health Care Limited as on September 30, 2011 (based on the limited review report on the unaudited special purpose interim financial statements) is Rs. 1637.47 lakhs (Rupees Sixteen Crore Thirty Seven Lakhs Forty Seven thousand Only), vide their certificate dated January 25, 2012. Further, Mr. Sriraman Parthasarathy, based on the firm financial arrangements made by the Acquirer (as disclosed under clause 7.2.2 above) has certified that DAHCL has made firm financial arrangements to meet its obligations in full under the Offer.

For this purpose, the Acquirer intends to utilize its own resources and may also use borrowed funds.

7.2.5 Based on the Bank Guarantee and cash deposit, as stated hereinabove, the Manager to the Offer is satisfied about the ability of the Acquirer to implement the Offer in accordance with the SEBI (SAST) Regulations, as firm arrangements for funds for payment through verifiable means are in place to fulfil the Offer obligations.

7.2.6 In case of revision in the Offer Price, the Acquirer would raise the amount in the Escrow Account to ensure compliance with Regulation 28 of the SEBI (SAST) Regulations.

8. TERMS AND CONDITIONS OF OFFER

8.1 Statutory Approvals

8.1.1 RBI vide their letter no. FE.CO.FID.No. 6933/10.21.215/2010-11 dated September 19, 2011 has conveyed no-objection for transfer of M/s Dr. Agarwal's Health Care Limited for acquisition of upto 9,00,000 equity shares of M/s. Dr. Agarwal's Eye Hospital Limited, subject to condition that (a) the approval to the open offer under the SEBI (SAST) Regulations, 1997 by SEBI (b) if the shares tendered by NRIs are acquired from rupee funds and non-repatriable in nature, the sale of proceeds of such shares may be credited to NRO account of the seller NRI with necessary reporting in the prescribed form FC-TRS and (c) if overseas corporate bodies tender shares pursuant to the Open Offer then the Target Company will be required to obtain prior RBI approval.

8.1.2 As on the date of the LOF, to the best of the knowledge of the Acquirer, other than the one specified in paragraph 8.1.1 above, there are no other statutory approvals required from Banks or Financial Institution or any other authority to acquire the Shares tendered pursuant to this Offer. If any other statutory approval becomes applicable prior to the completion of the Offer, the Offer would be subject to such statutory approvals. The Acquirer will not proceed with the Offer pursuant to Regulation 27 of the SEBI (SAST) Regulations in the event that such statutory approvals have been refused.

In case of delay in receipt of any approval, SEBI has the power to grant an extension of time required for payment under the Offer pursuant to Regulation 22(12) of the SEBI (SAST) Regulations***, provided the Acquirer agrees to pay interest for the delayed period***. Further, if delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations will apply which provides that the Escrow Account shall be liable to be forfeited and dealt with in the manner provided in Clause (e) of sub-Regulation 12 of Regulation 28, apart from the Acquirer being liable for penalty as provided in the SEBI (SAST) Regulations.

8.2 Other Terms and Conditions

8.2.1 The Offer being announced is not a conditional Offer and is not subject to any minimum level of acceptance.

8.2.2 All Public Shareholders (registered as well as unregistered), who own Shares of DAEHL, any time before the Closure of the Offer are eligible to participate in the Offer. The Acquirer however currently do not hold any Shares in DAEHL.

8.2.3 The LoF together with the Form of Acceptance cum Acknowledgement (FOA), the Form of Withdrawal (FOW) and Transfer Deed (TD) (for shareholders holding shares in physical form) will be mailed to the shareholders of DAEHL (other than the Acquirer and the Promoters) whose names appear on the Register of Members or are beneficial owners on the records of the respective depositories at the close of the business on the Specified Date i.e., Monday, February 14, 2011.

8.2.4 The acceptance of the Offer made by the Acquirer is entirely at the discretion of the equity shareholders of DAEHL and each shareholder of DAEHL to whom this Offer is made is / are free to Offer his / her / their shareholding in DAEHL in whole or in part while accepting the Offer.

8.2.5 The Shares that are subject to any charge, lien or encumbrance are liable to be rejected. Any equity shares of DAEHL that are subject matter of litigation or are held in abeyance due to pending court cases, wherein the shareholders of DAEHL may be precluded from transferring the Shares during pendency of the said litigation are liable to be rejected. The LOF, wherever possible would be forwarded to the concerned statutory / competent authorities for further action at their end in respect of the Shares which are subject matter of litigation.

8.2.6 Accidental omission to dispatch the LoF or any further communication to any person to whom the LoF is made or the non-receipt of the LoF by any such person shall not invalidate the Offer in any way.

8.2.7 Instructions, authorizations and provisions contained in the FOA, FOW and transfer deed constitute an integral part of the terms of this Offer.

8.2.8 The acceptance of the Offer must be unconditional and should be sent in the FOA along with the other documents duly filled-in and signed by the applicant shareholder(s) and should be received by the Registrar to the Offer at the address mentioned below on or before 1700 hours on Wednesday, February 22 , 2012 . If any change or modification is made in the FOA, the same is liable to be rejected. Please note that these documents should not be sent to the Acquirer and/or Target Company.

8.2.9 The Acquirer will not be responsible in any manner for any loss of equity share certificate(s) and documents such as FOA, FOW and TD during transit and the equity shareholders of Target Company are advised to adequately safeguard their interest in this regard.

8.2.10 The Acquirer will acquire all the paid-up equity shares of DAEHL that are validly tendered in terms of this Offer upto a maximum of 9,00,000 equity shares of Rs 10/- (Rupees Ten Only) each. In the event of the Offer receiving a response of more than 100% (9,00,000 equity shares), the Acquirer shall accept the equity shares on a proportionate basis pursuant to Regulation 21(6) of the SEBI (SAST) Regulations, *subject to minimum marketable lot of 100 (one hundred) Shares in case of Shares held in physical form and 1(one) Share in case of Shares held in dematerialized form*. The Acquirer will proceed with the Offer even if they are unable to obtain acceptance to the full extent of the Shares of the Target Company for which this Offer is made.

9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

9.1 The Acquirer has appointed Integrated Enterprises (India) Limited as the Registrar to the Offer. The shareholders who wish to tender their Shares will be required to send the FOA duly filled and signed along-with enclosures to the **Registrar to the Offer:** Integrated Enterprises (India) Limited, 2nd Floor, Kences Towers, No.1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai – 600 017, India. **Tel. No.** 91 44 2814 0801 – 03; **Fax No.** 91 44 2814 2479**; Contact Person:** Ms. N Anusha; **Email:** corpserv@integratedindia.in (hereinafter referred to as "Collection Centre") either by hand delivery or by registered post on or before the closure of the offer, in accordance with the instructions specified in the LOF and in the FOA.

The documents can be tendered at the above address between 10.00 AM to 01.00 PM and 02.00 PM to 5.00 PM from Monday to Friday and between 10.00 AM to 01.00 PM on Saturday. The centre will be closed on Sundays and Public Holidays.

9.2 **Registered Shareholders (holders of shares in physical form) should enclose:**

Form of Acceptance Cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.

Original Share Certificate(s)

Valid Share Transfer deed(s) duly signed as transferors by all shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with DAEHL and duly witnessed at the appropriate place(s).

9.3 **Beneficial owners (holders of shares in dematerialised form) should enclose:**

Form of Acceptance Cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all the beneficial holders of shares as per the records of the DP.

Photocopy/Counterfoil of Delivery Instruction slip in "off market" mode in favour of the special depository account mentioned herein after, duly acknowledged by DP.

9.4 **Unregistered Shareholders should enclose:**

Form of Acceptance cum Acknowledgement or an application on plain paper duly completed and signed in accordance with the instructions contained therein by the person(s) accepting the Offer. Application on plain paper should be duly signed and state the name, address, number of shares held, distinctive numbers, folio number and the number of shares in respect of which they are accepting the Offer

Original Share Certificate(s)

Original Contract Note(s) from the broker through whom the shares were acquired.

Valid Share Transfer deed(s) as received from market. The details of buyer should be left blank failing which, the same will be invalid under this offer. All other requirements for valid transfer will be pre condition for valid acceptance.

No indemnity is required from the unregistered owners.

9.5 In case of non-receipt of the aforesaid documents, but receipt of the Shares in the special depository account, it will be deemed that the shareholder has tendered acceptance of the Offer.

9.6 A special depository account has been opened with National Securities Depository Limited ("NSDL"), the details of which are as under:

DP Name: Integrated Enterprises (India) Limited
DP ID: IN301313
Beneficiary ID: 21393461
Name of Account: "**Dr. Agarwal's Health Care Limited- DAEHL Open Offer-Escrow Account**"
ISIN No.: INE934C01018

*Note *: Shareholders having their beneficiary account in Central Depository Services (India) Limited ("CDSL") have to use inter-depository delivery instruction for the purpose of crediting their equity shares in favour of "Dr. Agarwal's Health Care Limited – DAEHL Open Offer-Escrow Account" with NSDL.*

9.7 The shareholders tendering Shares in demat form should ensure the credit of Shares in favour of the special depository account mentioned above, before the closure of the Offer i.e. Wednesday, February 22, 2012. FOA, in respect of dematerialized Shares not credited to the above special depository account before the date of closing of Offer, is liable to be rejected.

9.8 Shareholders having their beneficiary account with Central Depository Services Limited (CDSL), have to use inter-depository delivery instruction slip for the purpose of crediting their Equity shares in favour of the above mentioned Special Depository Account with NSDL.

9.9 In case of non-receipt of the LoF/FOA, the eligible persons may download the same from SEBI website (which will be available on the website from the Offer Opening Date i.e. Friday, February 03 , 2012) or obtain a copy of the same by writing to Registrars to the Offer at the collection centre clearly marking the envelope “DAEHL Open Offer” or make an application on plain paper duly signed and stating their name, address, No. of Shares held, no. of Shares offered, DP name, DP ID, Client ID and the counterfoil/photocopy of the delivery instruction in “Off-Market” mode in favour of the special depository account, duly acknowledged by the DP, to the Registrar to the Offer, before the closure of the Offer.

9.10 In case any person has lodged Shares of DAEHL for transfer and the transfer has not yet been effected, the concerned person may apply in writing on a plain paper, duly signed and stating the name, address, number of shares held, distinctive numbers, folio number and the number of Shares in respect of which they are accepting the Offer along with the original share certificate(s), valid transfer deed(s) duly signed (columns meant for transferee / buyer should be kept blank) and the acknowledgement of the lodgment of shares for transfer. Such person should also instruct DAEHL and its Registrars & Transfer Agents to send the transferred share certificate(s) directly to the Registrars to the Offer as mentioned above before the date of closing of the Offer.

9.11 Shareholders who have sent their physical shares for dematerialisation and the dematerialization has not yet been effected, the concerned person should send the completed FOA together with the photocopy of the dematerialization request form acknowledged by shareholder’s DP. The shareholder should ensure that process of getting Shares dematerialised is completed well in time so that the credit in the special depository account should be received before closure of the Offer i.e. Wednesday, February 22, 2012, else the application will be rejected.

9.12 Shares tendered by the shareholders of DAEHL in the offer shall be free from lien, charges and encumbrances of any kind whatsoever.

9.13 Shares, that are the subject matter of litigation or are held in abeyance due to pending court cases, such that the shareholder(s) of DAEHL may be precluded from transferring the Shares during pendency of the said litigation, are liable to be rejected unless directions/orders regarding the free transferability of such Shares are received together with the Shares tendered in the offer prior to the date of closing of the offer.

9.14 While tendering Shares under the Offer, NRIs / OCBs / foreign shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have obtained for acquiring Shares of Target Company. In case of previous RBI Approvals not being submitted, the Acquirer reserves the right to reject the shares.

9.15 While tendering Shares under the Offer, NRI / OCBs / foreign shareholders will be required to submit a Tax Clearance Certificate from the Income Tax authorities, indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act, 1961 before remitting the consideration. In case the aforesaid Tax Clearance Certificate is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of the shareholder under the Income Tax Act, 1961, on the entire consideration amount payable to such shareholder.

9.16 On the fulfillment of all the conditions herein mentioned, the LoF and FOA, the Acquirer will pay the Offer Price by a crossed and “Account Payee Only” cheque(s) or demand draft(s) or pay order(s) drawn in favour of the sole shareholder or first named shareholder in case of joint holding as well as through National Electronic Clearing System (NECS) mode of payment like NEFT/ RTGS/ Direct Credit and shareholders are requested to compulsorily provide their bank details in the FOA in order to receipt of payment consideration through NEFT/ RTGS/ Direct Credit, as applicable, at specified centres. The payment consideration will be sent by Registered Post to the sole / first named shareholder of DAEHL whose Shares are accepted by the Acquirer at his address registered with DAEHL. It is desirable that shareholders holding Shares in physical mode provide bank details of the sole/ first shareholder in the FOA, so that the same can be incorporated in the cheque/ demand draft.

9.17 For Shareholders, who do not opt for electronic mode of fund transfer and for those Shareholders whose payment consideration is rejected / not credited through NECS / RTGS / NEFT, due to any technical errors or incomplete/ incorrect bank account details, the payment of consideration will be made by pay orders or demand drafts payable at places where the address of the Shareholder is registered and will be dispatched through registered post/speed post. It is advised that shareholders provide bank a/c details in the Form of Acceptance, so that the same can be incorporated in the demand draft/pay order. It will be the responsibility of the tendering shareholders to ensure that correct bank account details are mentioned with the Depositories and in the Form of Acceptance.

9.18 For the purposes of electronic fund transfer, in case of shareholders opting for electronic payment of consideration and for purposes of printing on the demand draft / pay order for the other cases, the bank account details will be directly taken from the depositories' database, wherever possible. A Shareholder tendering Shares in the Offer, is deemed to have given consent to obtain the bank account details from the Depositories, for this purpose. Only if the required details cannot be obtained from the Depositories' database then the particulars provided by the Shareholders would be used. In case of joint holders, payments will be made in the name of the first holder.

Shares that are subject to any charge, lien or encumbrance are liable to be rejected.

9.19 The consideration received by the shareholders for Shares accepted in the offer will be subject to the capital gains tax / deduction of tax at source applicable as per the Income Tax Act, 1961. Further the securities transaction tax will not be applicable on Shares accepted in this Offer.

9.20 The Registrar to the Offer will hold, in trust, the share certificates, Shares lying in credit of the Escrow Depository Account, Form of Acceptance cum Acknowledgement, if any, and the Transfer Deed (s) on behalf of the shareholders of DAEHL, who have accepted the Offer, until the cheques / drafts / pay orders for the consideration and / or the un-accepted share certificates have been dispatched / returned.

9.21 Unaccepted share certificates, transfer deeds and other documents, if any, will be returned by Registered Post at the shareholders'/ unregistered owners' sole risk to the sole/first shareholder. Shares held in demat form to the extent not accepted will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the FOA.

10. PROCEDURE FOR WITHDRAWAL OF APPLICATION / ACCEPTANCE

10.1 In accordance with Regulation 22(5A) of the SEBI (SAST) Regulations, shareholders shall have the option to withdraw acceptances tendered up to 3 (three) working days (i.e. Wednesday, February 15 , 2012) prior to the Offer Closing Date i.e. Wednesday, February 22, 2012.

10.2 Shareholders who wish to withdraw their shares from the Offer will be required to send the FOW duly completed and signed along with the requisite documents.

10.3 In case of non-receipt of Form of Withdrawal, the withdrawal can be exercised by making an application **on plain paper** along with following details: -

– **In case of physical Shares:** by stating Name, Address, Distinctive Numbers, Folio Number, Number of shares tendered.

– **In case of dematerialized Shares:** by stating Name, Address, Number of shares tendered, DP Name, DP ID, beneficiary account number, photocopy of the delivery instruction in "**Off Market**" mode duly acknowledged by the DP in favour of the Escrow Depository Account.

– **In either case:** a copy of the acknowledgement received from the Registrar to the Offer upon tendering of the Shares, **so as to reach** the Registrar to the Offer either by hand delivery or by Registered Post not later than 1700 hrs on Wednesday, February 15, 2012.

11. SHARES SUBJECT TO LOCK-IN

The Acquirer shall acquire all the Shares tendered by the shareholders even if they are subjected to lock-in period. However, these Shares shall continue to be under locked-in for the residual period in the hands of the Acquirer. The event in which these Shares may be rejected / returned is in case of invalid applications and / or the Shares being rejected due to proportionate acceptance.

In case of non-receipt of the aforesaid documents, but receipt of the equity shares in the Escrow Depository Account, the Acquirer may deem the Offer to have been accepted by the shareholder.

12. MATERIAL DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection at the office of Karvy Investor Services Limited, "Karvy House", 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad – 500 034 from 10.00 a.m. to 1.00 p.m. and from 2.00 p.m. to 4.00 p.m. on any working day, except Saturdays, Sundays, and Public/ Bank Holidays until the offer closes.

a) Memorandum & Articles of Association and Certificate of Incorporation of Dr. Agarwal's Eye Hospital Limited.
b) Memorandum & Articles of Association and Certificate of Incorporation of Dr.Agarwal's Health Care Limited.
c) MOU between the Acquirer and M/s Karvy Investor Services Limited, Manager to the Offer.
d) Copy of Share Purchase Agreement between the Acquirer and the Promoters dated January 11, 2011.
e) Copy of Certificate dated January 25, 2012 from M/s. Deloitte Haskins & Sells., Chartered Accountants, (ICAI Regn. No. 008072S), Address: ASV N Ramana Towers, 52, Venkatanarayana Road, T Nagar, Chennai – 600017; certifying about the Networth of the Acquirer (based on the limited review on the unaudited special purpose interim financial statements of the Company for the half year ended September 30, 2011) and financial arrangements made by the Acquirer in fulfilling the obligations of the Offer.
f) Audited Annual Reports for FY 2008-09, 2009-10, 2010-11 and half-year audited financial results for the six months period ended September 30, 2011 of DAEHL.
g) Audited Annual Report for FY 2010-11 and unaudited special purpose interim financial statements of the Company for the half year ended September 30, 2011.
h) Bank Guarantee for Rs. 9,00,00,000/- (Rupees Nine Crores only), from Axis Bank Limited, Corporate Banking Branch, Ground Floor, Karumuthu Nilayam, No. 192, Anna Salai. Chennai – 600 002, being part consideration as Escrow Deposit and Cash Deposit of Rs.5,57,00,000/-, towards balance consideration payable, with Axis Bank Limited, No. 82, Radhakrishnan Salai, Mylapore, Chennai – 600 004.
i) Copy of Client master from Integrated Enterprises (India) Limited for special depository account opened with Integrated Enterprises (India) Limited (Depository – NSDL) styled "**Dr.Agarwal's Health Care Limited- DAEHL Open Offer-Escrow Account**" for the purpose of this offer. The DP ID is IN301313 and Beneficiary/Client ID is 21393461.
j) Copy of Public Announcement dated January 17, 2011
k) Copy of the agreement entered into by the Acquirer with Integrated Enterprises (India) Limited on January 14, 2011 for opening an account with the Depository Participant
l) Copy of SEBI letter No. CFD/DCR1/NB/NB/38693/2011 dated December 23, 2011in terms of Regulation 18(2) of the SEBI (SAST) Regulations.
m) Letter dated January 24, 2012 from the Escrow Bank confirming deposit of requisite funds in the escrow account and a lien in favour of the Merchant Banker.

13. DECLARATION BY THE ACQUIRER

a) All information contained in this LOF is true and correct and the Acquirer accepts full responsibility for the information contained in this LOF.
b) The Acquirer is responsible for ensuring compliance with the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997.

Signed on behalf of Acquirer

Sd/-

B Sudha
Managing Director

Date: 26.01.2012
Place**:** Chennai

Encl: a) Form of Acceptance cum Acknowledgment with Form of Withdrawal
b) Transfer deed (as applicable)

TEAR HERE

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

(All terms and expressions used herein shall have the same meaning as described thereto in the Letter of Offer)

This Document is important and requires your immediate attention

Offer Opens on	Friday, February 03, 2012
Last Date for Withdrawal of Application	Wednesday, February 15, 2012
Offer Closes on	Wednesday, February 22, 2012

(Please send this Form of Acceptance-cum-Acknowledgement with enclosures to **INTEGRATED ENTERPRISES (INDIA) LIMITED**, *2nd Floor, Kences Towers, No.1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai – 600 017, India.* ***Tel. No.*** *91 44 2814 0801 – 03;* ***Fax No.*** *91 44 2814 2479* ***; Contact Person:*** *Ms. N Anusha;* ***Email:*** *corpserv@integratedindia.in*

From

(Name & Complete Address)

FOR OFFICE USE ONLY
Acceptance number:
Number of equity shares offered:
Number of equity shares accepted:
Purchase Consideration (Rs)
Cheque/Demand Draft/Pay Order No:

Tel. No.____________________ Fax No.____________________ Email _________________________

To,

INTEGRATED ENTERPRISES (INDIA) LIMITED

2nd Floor, Kences Towers, No.1, Ramakrishna Street,

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

Dear Sir,

Sub: open offer (the 'Offer') for 20% of paid-up equity share capital and voting rights of Dr. Agarwal's Eye Hospital Limited ('the Target Company') comprising 9,00,000 equity shares of a face value of Rs. 10/- (Rupees Ten Only) each at an Offer Price of Rs.159/- per Shares plus interest for delay in the offer schedule, of Rs.1.22 per fully paid up Share at the rate of 10% p.a. is being made in terms of Regulation 11 of the SEBI (SAST) Regulations to the equity shareholders / beneficial owners of DAEHL.

I/We refer to the Letter of Offer dated January 26, 2012 for acquiring the equity shares held by me/us in DAEHL.

I/We, the undersigned have read the Letter of Offer and understood its contents including the terms and conditions and unconditionally agree to the terms and conditions mentioned therein.

For Shares held in Physical Form: I/We, accept the offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my/our shares as detailed below:

S.No.	Folio No.	Certificate No.	Distinctive Nos.		No. of Shares
			From	To	
Total number of Equity Shares					

(In case of insufficient space, please use additional sheet and authenticate the same)

I/We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me/us b y the Registrar to the Offer till the time the Acquirer gives the purchase consideration as mentioned in the Letter of Offer.

I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.

--TEAR ALONG THIS LINE---

Acknowledgement Slip

Received from Mr./Ms.____

____

___________________________________Folio No. ______________ Form of Acceptance cum Acknowledgement, _____________________ number of certificates for ______________ equity shares / Copy of delivery instruction to DP for ___________ equity shares

Stamp of Collection Centre	**Signature of Official & Date of Receipt**

For shares held in Demat Form :

I/We hold shares in demat form and accept the Offer and enclose photocopy of the Delivery Instruction duly acknowledged by my / our DP in respect of my/our equity shares as detailed below:

DP Name	DP ID	Client ID	Beneficiary Name	No. of Equity Shares

I/We have done an off market transaction for crediting the shares to the Escrow Account opened with NSDL named "**Dr. Agarwal's Health Care Limited- DAEHL Open Offer-Escrow Account**"(the "Special Depository Escrow Account") with the following particulars:

DP NAME- Integrated Enterprises (India) Limited	BENEFICIARY ID - 21393461	DP ID – IN301313

Shareholders whose shares are held in beneficiary Account with CDSL have to use an inter–depository delivery instruction slip for the purpose of crediting their shares in favour of the Special Depository Escrow Account with NSDL.

I/We note and understand that the Shares would lie in the Special Depository Escrow Account until the time the Acquirer makes payment of the purchase consideration as mentioned in the Letter of Offer.

I/We confirm that the equity shares of DAEHL which are being tendered herewith by me/us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We authorise the Acquirer to accept the shares so offered which they may decide to accept in consultation with the merchant banker and in terms of the Letter of Offer and I/We further authorise the Acquirer to return to me/us, equity share certificate(s) in respect of which the Offer is not found valid/not accepted, specifying the reasons thereof.

I/We authorise the Acquirer or their Merchant Banker to send by Registered Post / Courier the draft/cheque, in settlement of the amount to the sole/first holder at the address mentioned below.

The Permanent Account Number (PAN No.) allotted under the Income Tax Act, 1961 is as under (Mandatory)

	First/ Sole Holder	Joint Holder 1	Joint Holder 2
PAN No.			

So as to avoid fraudulent encashment in transit, the shareholder(s) holding shares in physical form should provide the following details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly. For shares that are tendered in electronic form, the bank account as obtained from the "beneficiary position download" to be provided by the Depositories will be considered and the payment instructions will be issued with those bank particulars only.

Name of the Bank		**Account No.**		**Savings/ Current/ NRE/ NRO/ Others (Please tick)**
Address of Branch				
IFSC Code		**RTGS/NEFT**		
9 Digit MICR No.				

Yours faithfully,

Signed & Delivered by	Full Name (s) and Address	Signature	Verified and Attested (by DP in case of Demat Shares and by Bank in case of Physical Shares)
First/ Sole Holder			
Joint Holder 1			
Joint Holder 2			

Note : In case of joint holdings all must sign. A Corporation must affix its common seal necessary Board resolution should be attached.

Place :

Date :

---TEAR ALONG THIS LINE---

Note: All future correspondence, if any should be addressed to the Registrar to the Offer at

INTEGRATED ENTERPRISES (INDIA) LIMITED
2nd Floor, Kences Towers, No.1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai – 600 017

INSTRUCTIONS

1. PLEASE NOTE THAT NO EQUITY SHARES/FORMS SHOULD BE SENT DIRECTLY TO THE ACQUIRER OR TO THE MANAGER TO THE OFFER

2. The Form of Acceptance should be filled up in English only.

3. In the case of dematerialized shares, the shareholders are advised to ensure that their shares are credited in favour of the Special Depository Escrow Account, before the closure of the Offer i.e., **Wednesday, February 22, 2012.** The Form of Acceptance-cum-Acknowledgement of such dematerialized shares not credited in favour of the Special Depository Escrow Account, before the closure of the Offer will be rejected.

4. Shareholders/Beneficiary Owners should enclose the following:

For Shareholders holding Dematerialized Shares

a. Shareholders having their beneficiary account in Central Depository Services (India) Limited have to use inter-depository delivery instruction slip for the purpose of crediting their shares in favour of the special depository escrow account with NSDL.

b. Shareholders should enclose the following:
   i) Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by all the beneficiary owners whose names appear in the beneficiary account, as per the records of the Depository Participant (‘DP’).
   ii) A photocopy of the Delivery instruction in “Off Market” mode or counterfoil of Delivery Instruction in “Off Market” mode, duly acknowledged by the DP.
   iii) For each Delivery Instruction the Beneficial Owner should submit a separate form of Acceptance.

Shareholders holding Physical shares should enclose

a. Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.
b. Original Share Certificate(s)
c. Valid Share Transfer Deed(s) duly signed as transferors by all shareholders (in case of joint holdings) in the same order and as per specimen signature lodged with DAEHL and duly witnessed at the appropriate place. A blank Share Transfer Form is enclosed along with the Letter of Offer. Attestation, where required, (thumb impressions, signature difference etc.,) should be done by a Magistrate or Notary Public or Bank Manager of a Bank where the shareholder holds an operative account, under their official seal.
d. The details of buyer should be left blank falling which the same will be invalid under the Offer. The details of the Acquirer as buyer will be filled by the Acquirer upon verification of the Form of Acceptance and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.

Unregistered owners should enclose

a. Form of Acceptance duly completed and signed.
b. Original Share Certificate(s)
c. Brokers contract note in original
d. Transfer deed(s) executed by the registered holders of the shares leaving the details of buyer blank. If the same is filled in then the share(s) are liable to be rejected
e. Owners of shares who have sent their shares for transfer should enclose along with this Form duly completed and signed, copy of the letter sent to the Target Company for transfer of shares and valid share transfer form(s).

NRIs/OCBs/Foreign shareholders should submit

a. The previous RBI approvals (Specific or general) that they would have obtained for acquiring shares of DAEHL

b. No Objection Certificate/Tax clearance Certificate, indicating the amount of tax to be deducted by Acquirer before remitting the consideration, from the Income-Tax authorities under the Income Tax Act, 1961.

Other Documents as necessary

a. Duly attested death certificate and succession certificate (in case of single shareholder) if the original shareholder is deceased.
b. Duly Attested Power of Attorney if any person apart from the shareholder has signed the application form and / or transfer deed(s).
c. No Objection Certificate from the charge holder/lender, if the shares in respect of which the application is sent, are under any charge, lien or encumbrance.
d. In case of companies, the necessary corporate authorization (including Board Resolutions)
e. Any other relevant documentation.

5. The Form of Acceptance cum Acknowledgement alongwith enclosure should be sent only to the Registrar to the Offer so as to reach the Registrar to the Offer between 10.00 AM to 01.00 PM and 02.00 PM to 5.00 PM from Monday to Friday and between 10.00 AM to 01.00 PM on Saturday. The centre will be closed on Sundays and Public Holidays.

6. Payment Consideration: Shareholders must note that on the basis of name of the Shareholders, Depository Participant`s name, DP ID, Beneficiary Account number provided by them in the Form of Acceptance-cum-Acknowledgement, the Registrar to the Offer will obtain from the Depositories, the Shareholder`s details including address, bank account and branch details. These bank account details will be used to made payment to the Shareholders. Hence Shareholders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays of payment or electronic transfer of funds, as applicable, and any such delay shall be at the Shareholders sole risk and neither the Acquirer, the Manager to the Offer, the Registrar to the Offer nor the Escrow Bank shall be liable to compensate the Shareholders for any loss caused to the Shareholders due to any such delay or liable to pay any interest for such delay. Physical shareholders are requested to fill up their bank account details in the `Form of Acceptance cum Acknowledgment.

Note: All future correspondence, if any, should be addressed to the Registrars to the Offer at the following address:

Integrated Enterprises (India) Limited, 2nd Floor, Kences Towers, No.1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai – 600 017, India. **Tel. No.** 91 44 2814 0801 – 03; **Fax No.** 91 44 2814 2479**; Contact Person:** Ms. N Anusha; **Email:** corpserv@integratedindia.in

SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE ACCEPTANCE FORMS/SHARES THAT ARE RECEIVED BY THE REGISTRAR TO THE OFFER AFTER THE CLOSURE OF THE OFFER I.E. BY 4 PM ON WEDNESDAY, FEBRUARY 22, 2012 SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE ARE LIABLE TO BE REJECTED.

TEAR HERE

FORM OF WITHDRAWAL

(All terms and expressions used herein shall have the same meaning as described thereto in the Letter of Offer)
(Please send this Form of Withdrawal with enclosures to **INTEGRATED ENTERPRISES (INDIA) LIMITED** at the collection centre mentioned in the Letter of Offer)

Offer Opens on	Friday, February 03, 2012
Last Date for Withdrawal of Application	Wednesday, February 15, 2012
Offer Closes on	Wednesday, February 22, 2012

From
(Name & Complete Address)

FOR OFFICE USE ONLY
Withdrawal Number:
Number of equity shares offered:
Number of equity shares withdrawn:

Tel. No.____________________ Fax No.____________________ Email ________________________

To,
INTEGRATED ENTERPRISES (INDIA) LIMITED
2nd Floor, Kences Towers, No.1, Ramakrishna Street,
North Usman Road, T. Nagar, Chennai – 600 017

Dear Sir,
Sub: open offer (the 'Offer') for 20% of paid-up equity share capital and voting rights of Dr. Agarwal's Eye Hospital Limited ('the Target Company') comprising 9,00,000 equity shares of a face value of Rs. 10/- (Rupees Ten Only) each of DAEHL is being made in terms of Regulations 11 of the SEBI (SAST) Regulations to the equity shareholders / beneficial owners of DAEHL.

I/We refer to the Letter of Offer dated January 26, 2012 for acquiring the equity shares held by me/us in DAEHL.

I/We have read the procedure for withdrawal of equity shares tendered by me/us in the Offer as mentioned in the Letter of Offer and unconditionally agree to the terms and conditions mentioned therein.

I/We hereby consent unconditionally and irrevocably to withdraw my/our Shares from the Offer and I/We further authorise the Acquirer to return to me/us, the tendered equity share certificate(s)/ share(s) at my/our sole risk.

I/We note that upon withdrawal of my/our Shares from the Offer, no claim or liability shall lie against the Acquirer/ Manager to the Offer/ Registrar to the Offer.

I/We note that this Form of Withdrawal should reach the Registrar to the Offer at the collection center mentioned in the Letter of Offer on or before the last date of withdrawal.

I/We note that the Acquirer /Manager to the Offer / Registrar to the Offer shall not be liable for any postal delay/loss in transit for the equity shares held in physical form and also for the non-receipt of equity shares held in the dematerialised form in the DP account due to inaccurate/ incomplete particulars/instructions.

I/We also note and understand that the Acquirer will return the original share certificate(s), share transfer deed(s) and Shares only on completion of verification of the documents, signatures etc. and beneficiary position data as available from the Depository from time to time, respectively.

---TEAR ALONG THIS LINE---

Acknowledgement Slip

Received from Mr./Ms.____
____
___________________________________Folio No. _______________
Form of Withdrawal dated _____________________

Stamp of Collection Centre	**Signature of Official & Date of Receipt**

The particulars of the tendered Share(s) that I/We wish to withdraw are detailed below:

Folio No.	Certificate No.	Distinctive Nos.		No. of Shares
	Tendered			
Total number of Equity Shares Tendered				
	Withdrawn			
Total number of Equity Shares Withdrawn				

(In case of insufficient space, please use additional sheet and authenticate the same)

I/We hold the following equity shares in dematerialised form and tendered the equity shares in the Offer and had done an off-market transaction for crediting the Shares to the "**Dr. Agarwal's Health Care Limited- DAEHL Open Offer-Escrow Account**" (Special Depository Escrow Account) as per the following particulars:

DP NAME- Integrated Enterprises (India) Limited	BENEFICIARY ID - 21393461	DP ID – IN301313

Please find enclosed a photocopy of the Depository Delivery Instruction(s) duly acknowledged by DP. The particulars of the account from which my/our equity shares have been tendered are as detailed below:

DP Name	DP ID	Client ID	Beneficiary Name	No. of Equity Shares

I/We note that the equity shares will be credited back only to that Depository Account, from which the equity shares have been tendered and necessary standing instructions have been issued in this regard.

In case of dematerialised equity shares, I/We confirm that the signatures of the beneficiary holders have been verified by the DP as per the records maintained at their end and the same have also been duly attested by them under their seal.

I/We confirm that the particulars given above are true and correct.

Yours faithfully,

Signed & Delivered by	Full Name (s) and Address	Signature	Verified and Attested (by DP in case of Demat Shares and by Bank in case of Physical Shares)
First/ Sole Holder			
Joint Holder 1			
Joint Holder 2			

Note : In case of joint holdings all must sign. A Corporation must affix its common seal necessary Board resolution should be attached.

Place :
Date :

---TEAR ALONG THIS LINE--

Note: All future correspondence, if any should be addressed to the Registrar to the Offer at

INTEGRATED ENTERPRISES (INDIA) LIMITED
2nd Floor, Kences Towers, No.1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai – 600 017

INSTRUCTIONS

1. The Shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at the address mentioned in the Letter of Offer as per the mode of delivery indicated therein on or before the last date of withdrawal i.e., by Wednesday , February 15, 2012.
2. Shareholders should enclose the following:

i. **For Equity Shares held in demat form:**

- Duly signed and completed form of Withdrawal.
- Copy of the form of acceptance-cum-Acknowledgement/Plain paper application submitted and the acknowledgement slip.

Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-Market" mode, duly acknowledged by the DP.

ii. **For Equity Shares held in physical form:**

Duly signed and completed form of withdrawal.

Copy of the form of acceptance-cum-acknowledgement / Plain paper application submitted and the Acknowledgement slip.

In case of partial withdrawal, Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holding(s) in the same order and as per specimen signatures registered with DAEHL, and duly witnessed at the appropriate place.

iii **Unregistered owners should enclose:**

- Duly signed and completed Form of withdrawal.
- Copy of the Form of Acceptance-cum-acknowledgement/Plain paper application submitted and the Acknowledgement slip.

3. The withdrawal of shares will be available only for the Share Certificate/shares that have been received by the registrar to the Offer/special Depository Escrow Account.
4. The intimation of returned shares to the Shareholders will be at the address as per the records of the Target Company / Depository as the case may be.
5. The Form of Withdrawal along with enclosure should be sent only to the Registrar to the Offer.
6. In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from the Target Company. The facility of partial withdrawal is only available to registered shareholders.
7. **Shareholders holding shares in dematerialized form are required to issue the necessary standing instruction for receipt of the credit in their DP Account.**

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