# CORRIGENDUM TO THE PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE SHAREHOLDERS/BENEFICIAL OWNERS OF THE EQUITY SHARES OF

# Dr. AGARWAL'S EYE HOSPITAL LIMITED

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This Corrigendum to the Public Announcement is being issued by Karvy Investor Services Limited (**"Manager to the Offer"/"KISL"**), on behalf of Dr. Agarwal's Health Care Limited (**"DAHCL"/"Acquirer"**) pursuant to and in compliance with Regulation 11 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended (**"SEBI (SAST) Regulations"**).

The shareholders of Dr. Agarwal's Eye Hospital Limited (**"DAEHL"/"Target Company"**) are requested to note the following developments/ amendments with respect to and in connection with the Public Announcement dated January 15, 2011 (**"PA"**).

**The shareholders are requested to note the following:**

1. The present offer is being made to acquire 9,00,000 Equity Shares of face value of Rs.10/- each representing 20% of the outstanding voting equity share capital, from the existing shareholders of DAEHL, pursuant to the provisions of Regulation 11 of the SEBI (SAST) Regulations.

**2. Revised Schedule of activities**

Securities and Exchange Board of India has issued comments on the Draft Letter of Offer vide letter dated December 23, 2011, therefore the dates with respect to various activities as per the disclosure made in the PA have undergone a change. The original and revised schedule of activities is as follows:

| | 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 9, 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.*

**3. The following statement is deleted from clause 3.10 of the PA**

"The investor is acting in concert with the Acquirer as per the provisions of Regulation 2(1)(e) of the SEBI (SAST) Regulations".

**4. Offer Price**

SEBI, in exercise of its powers under the section 11(B) of SEBI Act read with Section 11(2)(b) of SEBI Act, 1992, appointed Haribhakti and Co., Chartered Accountant, as an independent valuer to determine the fair value of equity shares of the Target Company. The independent valuer, vide its report dated November 21, 2011, has interalia opined that the fair value of Target Company is Rs.159 per share. Based on the report, the Offer Price has been fixed at Rs.159 per Equity Share.

**5. Interest for the delay in offer schedule**

As the schedule of activities disclosed in the PA has undergone change, shareholders of the Target Company are entitled to receive the interest for the delay in the offer schedule. Therefore, in addition to the Offer Price of Rs.159/- per Share, interest at the rate of 10% per annum on the Offer Price i.e. Rs.1.22 is payable to the eligible shareholders of the Target Company whose shares are accepted pursuant to the Open Offer, for a delay of 28 days in the Offer Schedule i.e. from January 7, 2012 (had the offer schedule been adhered to as per SEBI letter dated December 23, 2011 the public shareholders of the Target Company would have received the consideration by February 10, 2012) to February 03, 2012. The total consideration therefore works out to Rs.160.22 per share (Offer Price of Rs.159 per Share plus interest for delay Rs.1.22 per Share).

**6. Escrow Account**

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 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).

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:-

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.

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.

The Manager to the Offer, Karvy Investor Services Limited, has been empowered to operate the Escrow Account.

**7. Reserve Bank of India (RBI) approval**

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. Lenders approval**

The Target Company has received no objection from State Bank of India vide letter dated March 7, 2011 for transfer of shares held by Dr. Amar Agarwal and others in favour of DAHCL. Further SBI has closed the pledge of shares belonging to the Promoter Group during August 2011 and October 2011.

**9. Increase in authorized share capital and allotment of Compulsorily Convertible Cumulative Participative Preference Shares (CCPS)**

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.

***Details of allotment of CCPS***

The Acquirer has allotted 25,00,000 - 0.001% fully and compulsorily convertible cumulative participative preference shares of Rs.100/- each to EILSF SPV 3 on July 14, 2011 which will automatically get converted 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.

**10. Information about the Acquirer - DAHCL**

The brief financials of DAHCL for the financial year 31st March 2011(audited) and unaudited financials for the six months period ended 30th September 2011 (subjected to limited review by statutory auditor) are as under:-

Total Income Rs.506.57 lakhs and Rs.1320.00 lakhs; Profit/(Loss) after Tax Rs. (971.35) lakhs and Rs.(1096.43) lakhs; Paid-up equity share capital Rs. 205.01 lakhs and Rs.205.01 lakhs; Preference share capital Rs.1000.00 lakhs and Rs.2500.00 lakhs; Net Worth Rs.233.90 lakhs and Rs.1637.47 lakhs; Book Value Per Equity Share Rs.(38.49) and Rs.(94.43) and Earnings Per Share Rs.(47.38) and Rs.(55.92) respectively.

**11. Information about the Target Company - DAEHL**

The brief audited financials of DAEHL for the financial year 31st March 2011 and for the six months period ended 30th September 2011 are as under:-

Total Income Rs.10,421.68 lakhs and Rs.5,440.42 lakhs; Profit/(Loss) after Tax Rs.204.94 lakhs and Rs.163.61 lakhs; Paid-up share capital Rs.450 lakhs and Rs.450 lakhs; Net Worth Rs.1,152.64 lakhs and Rs.1,316.03 lakhs; Book Value Per Share Rs.25.61 and Rs.29.25 and Earnings Per Share Rs.4.55 and Rs.3.64(non-annualized) respectively.

**12. General**

This announcement shall be read in conjunction with the PA. The terms not defined herein will have the same meaning as defined in the PA. All other terms and conditions of the Offer remain unchanged. For further details, please refer to the LOF and Form of Acceptance cum Acknowledgement.

The PA and this Corrigendum to the PA are also available on SEBI website www.sebi.gov.in. Shareholders eligible to participate in the Offer may also download a copy of the LOF and Form of Acceptance cum Acknowledgement, which will be available on SEBI website during the offer period i.e. from Friday, February 03, 2012 to Wednesday, February 22, 2012. For further details please refer to the LOF and Form of Acceptance cum Acknowledgement.

The Acquirer accept full responsibility for the information contained in this Corrigendum to the PA and also for the obligations of the Acquirer laid down in the SEBI (SAST) Regulations, as amended.

| MANAGER TO THE OFFER | REGISTRAR TO THE OFFER |
|---|---|
| KARVY INVESTMENT BANKING | Integrated since 1974 Investments Simplified |
| **KARVY INVESTOR SERVICES LIMITED** | **INTEGRATED ENTERPRISES (INDIA) LIMITED** |
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CONCEPT

This Corrigendum to the PA is being issued by the Manager to the Offer on behalf of the Acquirer i.e. Dr. Agarwal's Health Care Limited.

Place: Hyderabad

Date: January 27, 2012