

October 7, 2010

**CARE REAFFIRMS THE RATING ASSIGNED TO THE BANK FACILITIES OF
DR.AGARWAL'S EYE HOSPITAL LIMITED****Ratings Assigned**

Facilities/Instruments	Amount (Rs. Lakh)	Ratings ¹	Remarks
Long-term Bank Facilities	3142.2	'CARE BBB' (Triple B Minus)	Reaffirmed
Total Facilities	3142.2		

Rating Rationale

The rating continues to take into account the vast experience of the promoters in the field of eye care supported by qualified and experienced team of doctors, company's established brand presence and growing network of hospitals and availability of latest sophisticated technology and medical equipment providing comprehensive eye care services. The rating is however constrained by DAL's small size, moderate financial position of the company as evidenced by relatively high overall gearing in relation to low profitability margins of its operations, dependence on scarcely available professionals and growing competition in the industry.

Going forward, the ability of the company to grow its patient registration without elevating its financial risk profile and ability to retain its team of doctors would be key rating sensitivities

Company Profile

DAL is a super-specialty eye care company promoted by Padma Bhushan Late Dr. Jaiveer Agarwal in the year 1994 to offer eye care solutions. As on March 31, 2010, DAL had a network of 31 branches, predominantly in the state of Tamil Nadu and one each in the state of Andhra Pradesh and Rajasthan. Dr. Amar Agarwal s/o Dr. J Agarwal is the Chairman and Managing Director of the company. DAL reported a PAT of Rs.52 lakh on a total income of Rs.8, 889 lakh for FY10 as against a PAT of Rs.20 lakh on a total income of Rs.7, 330 lakh in FY09.

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CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries /regulators or others are welcome to write to care@careratings.com for any clarifications.

Disclaimer

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Press Release

the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

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