

LOTUS



19th
ANNUAL REPORT
2015 - 16

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED
(Formerly Lotus Eye Care Hospital Limited)



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LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

(Formerly Lotus Eye Care Hospital Limited)

CIN : L85110TZ1997PLC007783

Regd. Office & Corporate Office : SF No. 770/12, Avinashi Road, Civil Aerodrome Post, Coimbatore – 641 014

E-mail : companysecretary@lotuseye.org Website : www.lotuseye.org

Phone : 0422 4229900 Fax : 0422 4229933

Board of Directors

Chairman cum Managing Director	-	Dr. S.K. Sundaramoorthy
Whole-time Director	-	Ms. Sangeetha Sundaramoorthy
Directors	-	Dr. Kavetha Sundaramoorthy (Additional Director)
	-	Dr. S.S. Badrinath
	-	Mr. D. R. Kaarthykeyan
	-	Dr. Yogesh Shah
	-	Mr. G.R. Karthykeyan
	-	CA R. Subramanian
	-	CA M. Alagiriswamy
Chief Financial Officer	-	CA M. Venkatachalapathi
Company Secretary & Compliance Officer	-	CS Aditya Sharma
Statutory Auditors	-	M/s. V E K A M and Associates Chartered Accountants, Coimbatore - 641 012
Internal Auditors	-	M/s. Anbarasu and Jalapathi Chartered Accountants 30C, Alagesan Road, Saibaba Colony, Coimbatore - 641 011
Secretarial Auditor	-	CS P. Eswaramoorthy Company Secretary in Practice Ramanathapuram, Coimbatore - 641 045
Bankers	-	HDFC Bank Ltd, Coimbatore Axis Bank Ltd, Coimbatore The Federal Bank Ltd, Ernakulam
Registered Office	-	S.F. No. 770/12, Avinashi Road Civil Aerodrome Post, Coimbatore - 641 014
Registrar and Share Transfer Agent	-	M/s. S.K.D.C. Consultants Limited Post Box No : 20416, Kanapathy Towers 3 rd Floor, 1391/A-1, Sathy Road Ganapathy Post, Coimbatore - 641 006
Audit Committee	-	CA R. Subramanian, Chairman Mr. D.R. Kaarthykeyan Ms. Sangeetha Sundaramoorthy Mr. G.R. Karthykeyan CA M. Alagiriswamy
Nomination & Remuneration Committee	-	Mr. D.R. Kaarthykeyan, Chairman Dr. S.K. Sundaramoorthy Dr. Yogesh Shah Mr. G.R. Karthykeyan
Stakeholders' Relationship Committee	-	CA R. Subramanian, Chairman Mr. D.R. Kaarthykeyan Dr. S.K. Sundaramoorthy CA M. Alagiriswamy

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 19th Annual General Meeting of LOTUS EYE HOSPITAL AND INSTITUTE LIMITED will be held on Wednesday, 31st day of August, 2016 at 10.00 A.M at the Registered Office of the Company at S.F.No. 770/12, Avinashi Road, Civil Aerodrome Post, Coimbatore - 641 014 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2016, including the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the financial year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a director in place of Ms. Sangeetha Sundaramoorthy (holding DIN: 01859252), who retires by rotation and being eligible offers herself for re-appointment.
3. Re-appointment of M/s. V E K A M & Associates, Chartered Accountants, the Statutory Auditors of the Company.

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

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) thereto or re-enactment thereof for the time being in force), M/s. V E K A M & Associates, Chartered Accountants, having Registration no. 05256S allotted by The Institute of Chartered Accountants of India, the retiring auditors be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this AGM till the conclusion of the next AGM of the Company on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors plus reimbursement of service tax, travelling and out-of-pocket expenses."

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made there under (including any statutory modification(s) thereto or re-enactments thereof for the time being in force), Dr. Kavetha Sundaramoorthy, (DIN: 02050806) who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on May 30th, 2016 and whose term of office expires at this Annual General Meeting ('AGM') and in respect of whom the Company has received a notice in writing from a shareholder along with the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director, be and is hereby appointed as a Director (Non-Executive) of the Company, liable to retire by rotation".

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

"RESOLVED THAT pursuant to the provisions of Section 20 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) thereto or re-enactment thereof for the time being in force), or any other applicable law, if any, the Board of Directors of the Company, be and is hereby authorised to charge from such member (s), an amount as it may deem fit as an advance amount being equivalent to the estimated expenses for delivery of any document to the member(s) in a mode specified by such member(s) and to put such reasonable conditions from time to time as it may deem fit in its absolute discretion in this regard.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard in order to implement and to give effect to the aforesaid resolution."

Registered Office:
770/12, Avinashi Road
Civil Aerodrome Post
Coimbatore - 641 014

By Order of the Board
For LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Place : Coimbatore
Date : 30th May, 2016

(Sd/-) Aditya Sharma
Company Secretary

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF SUCH A PROXY / PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the Meeting.

2. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting (AGM) are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting
3. The Register of Members and Share Transfer Books of the Company will remain closed from 25th August, 2016 to 31st August, 2016 (both days inclusive).
4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 and Secretarial Standard on General Meetings (SS-2) which sets out details relating to Special Business at the meeting, is annexed hereto. Additional Information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in relation to Directors seeking appointment / re-appointment at the AGM are provided in the said Statement.
5. Members are requested to communicate their change of address, if any, quoting their folio numbers to our Registrars and Share Transfer Agents, M/s. SKDC Consultants Limited, "Kanapathy Towers", 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006. Similarly members holding shares in Demat form, shall intimate the change of address, if any, to their respective Depository Participants.
6. Shareholders holding shares in the physical form and wish to avail Electronic Clearing Services (ECS) facility (subject to availability of the facility) may authorize the Company with ECS mandate in the prescribed form and the same should be lodged with the Registrars and Share Transfer Agents M/s. SKDC Consultants Limited for payment of dividend in future through ECS, if eligible.
7. Members who require any clarifications on accounts or operations of the Company are requested to write their queries to the Company Secretary so as to reach him at least one week before the meeting. The queries will be answered accordingly.
8. The Ministry of Corporate Affairs ("MCA"), Government of India, has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by serving the documents viz. Notices for general meetings, Financial Statements, Annual Reports etc. through electronic mode, for which the Company has to obtain email addresses of its members. To take part in the above Green Initiative, we propose to send the above documents in electronic form to the email addresses of the members. In order to serve the documents in electronic mode, Members holding shares in physical mode are requested to communicate their e-mail address quoting their folio numbers to our Registrars and Share Transfer Agents. Similarly members holding shares in Demat form shall intimate their e-mail address to their respective Depository Participants at the earliest.
9. Electronic copy of the Notice of the 19th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the

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19th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

10. Members may also note that the Notice of the 19th Annual General Meeting and the Annual Report for 2015-16 will also be available on the Company's website www.lotuseye.org for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: companysecretary@lotuseye.org
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their respective Depository Participant. Members holding shares in physical form can submit their PAN to the Company/RTA.
12. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
13. **Voting through electronic means**
 - I. Pursuant to Regulation 44 of the SEBI (LODR) Regulation with the Stock Exchange and Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment, Rules 2015, the Company is pleased to provide members the facility to exercise their right to vote at the 19th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).
 - II. The facility for voting through Polling Paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling paper.
 - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - IV. CS P. Eswaramoorthy FCS, Company Secretaries, Coimbatore has been appointed as the Scrutinizer to scrutinize the e-voting process / Postal Ballot in a fair and transparent manner.
 - V. **The instructions for shareholders voting electronically are as under:**
 - i) The voting period begins on 28th August, 2016 at 10.00 A.M. and ends on 30th August, 2016 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 24th August, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - iii) The shareholders should log on to the e-voting website www.evotingindia.com.

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- iv) Click on Shareholders.
 - v) Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - vi) Next enter the Image Verification as displayed and Click on Login.
 - vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p>
Dividend Bank Details	<ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member ID / folio number in the Dividend Bank details field as mentioned in instruction (iv).

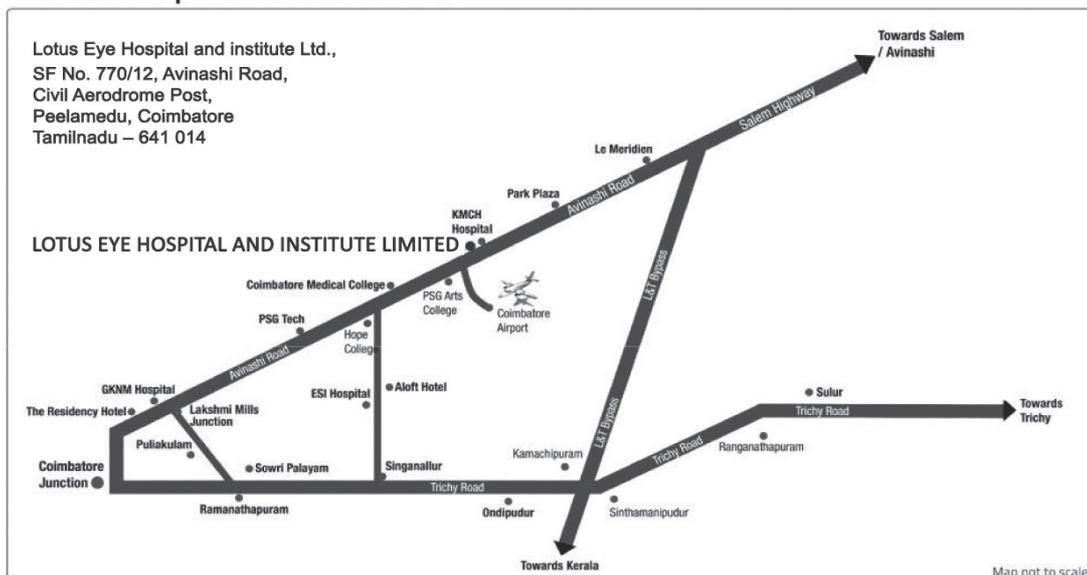
- ix) After entering these details appropriately, click on "SUBMIT" tab.
- x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

- xii) Click on the EVSN for the relevant Lotus Eye Hospital and Institute Limited on which you choose to vote.
 - xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
 - xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
 - xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
 - xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
 - xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - xix) **Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
 - xx) **Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date 24th August, 2016.

- VII. Any person who has acquired shares after the dispatch of the notice may obtain the user ID and Password by sending an e-mail request to : helpdesk.evoting@cdslindia.com or info@skdc-consultants.com
- VIII. The scrutiniser shall, after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than 48 hours of conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
- IX. The Chairman or a person authorized by him in writing shall declare the result of the voting forthwith. The results declared along with the scrutiniser's report shall be placed on the Company's website www.lotuseye.org immediately after the result is declared by the Chairman and shall be simultaneously communicated to NSE, BSE, NSDL & CDSL.
15. A route map and prominent landmark for easy location of the venue of AGM is enclosed with this Notice.
16. Kindly bring your copy of the Annual Report at the Meeting.

Route Map to venue of AGM



Registered Office:
770/12, Avinashi Road
Civil Aerodrome Post
Coimbatore - 641 014

Place : Coimbatore
Date : 30th May, 2016

By Order of the Board
For **LOTUS EYE HOSPITAL AND INSTITUTE LIMITED**

(Sd/-) **Aditya Sharma**
Company Secretary

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

Dr. Kavetha Sundaramoorthy (**DIN: 02050806**) was appointed as an Additional Director of the Company on 30th May, 2016 by the Board of Directors of the Company. According to the provisions of section 161 of the Companies Act, 2013, she holds office as director only upto the date of the ensuing Annual General Meeting but eligible for the appointment as a Director in the category of Non-Executive Non Independent. As required by section 160 of the Act, a notice has been received from a shareholder along with a deposit of Rs.1,00,000, proposing her candidature for the office of Director. The Board considers it desirable that the Company should continue to avail of her services.

Dr. Sundaramoorthy has completed MBBS from Coimbatore Medical College in the year 2000. Dr. Kavetha Sundaramoorthy is a Psychiatrist. She received her medical degree from Coimbatore Medical College and has been in practice for the past 12 years.

The Board recommends the passing of the Ordinary Resolution as set out in the Item no. 4 of the Notice for the appointment of Dr. Kavetha Sundaramoorthy as a Director, liable to retire by rotation.

A statement containing her profile is given at the end of the Notice.

MEMORANDUM OF INTEREST

Dr. S. K. Sundaramoorthy and Ms. Sangeetha Sundaramoorthy are being related to Dr. Kavetha Sundaramoorthy and are deemed to be concerned and interested in the resolution at Item Nos.4.

Except the above-mentioned Promoters / Directors None of the Directors, Key Managerial Personnel of the Company and their relatives, except to the extent of their shareholding, if any, in the Company, is in any way, concerned or interested, financially or otherwise, in the said resolution.

Item No. 5

As per the provisions of Section 20 of the Companies Act, 2013 (as amended), a document may be served on any member by sending it to him by post or by registered post or by speed post or by courier or by delivery at his office or address or by such electronic or other mode as may be prescribed. Further, a member may request for delivery of any document through a particular mode, for which he shall pay such fees in advance as may be determined by the Company in its Annual General Meeting.

Accordingly, the Board recommends ordinary resolution as set out in Item No. 5 of this Notice, for approval by the Shareholders.

MEMORANDUM OF INTEREST

None of the Directors, Key Managerial Personnel of the Company and their relatives, except to the extent of their shareholding, if any, in the Company, is in any way, concerned or interested, financially or otherwise, in the said resolution

Registered Office:
770/12, Avinashi Road
Civil Aerodrome Post
Coimbatore - 641 014

Place : Coimbatore
Date : 30th May, 2016

By Order of the Board
For LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

(Sd/-) Aditya Sharma
Company Secretary



**Additional information on directors recommended for appointment /
re-appointment as required under Regulation 36(3) of SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015**

I	Name of Directors	Sangeetha Sundaramoorthy	Kavetha Sundaramoorthy
II	DIN	01859252	02050806
III	Date of Birth	16.10.1978	30.01.1976
IV	Qualification & Brief resume & nature of his expertise in specific functional areas	Ms. Sangeetha Sundaramoorthy serves as Whole-time Director of Lotus Eye Hospital and Institute Limited since August 01, 2014. She is a Software Professional and has 5 years of experience in Software.	Dr. Kavetha Sundaramoorthy serves as a Non-Executive Director of Lotus Eye Hospital and Institute Limited. Dr. Kavetha Sundaramoorthy is a Psychiatrist. She received her Medical Degree from Coimbatore Medical College and has been in practice for the past 12 years.
V	Disclosure of relationships between directors inter-se	1. Dr. S.K.Sundaramoorthy (Father)	1. Dr. S.K.Sundaramoorthy (Father)
		2. Dr. Kavetha Sundaramoorthy (Sister)	2. Ms. Sangeetha Sundaramoorthy (Sister)
VI	Names of listed entities (Other than Lotus) in which the person also holds the directorship and the membership of Committees of the board :		
	1. Directorship	Nil	Nil
	2. Chairperson of Board Committees	Nil	Nil
	3. Member of Board Committees	Nil	Nil
VII	Shareholding (No. of Shares, Percentage)	2,23,050 (1.073%)	2,23,050 (1.073%)

Registered Office:
770/12, Avinashi Road
Civil Aerodrome Post
Coimbatore - 641 014

Place : Coimbatore
Date : 30th May, 2016

By Order of the Board
For **LOTUS EYE HOSPITAL AND INSTITUTE LIMITED**

(Sd/-) Aditya Sharma
Company Secretary

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the 19th Annual Report of your Company together with the Audited Accounts for the year ended 31st March 2016.

FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	31.03.2016 (Current year)	31.03.2015 (Previous year)
Income from Operations and other income	3,170.58	3,033.22
Less : Expenses	3,172.63	3,255.65
Profit / (Loss) before Tax	(2.05)	(222.43)
Less : Provision for Taxes :		
Current Tax	-	-
Deferred Tax	(12.13)	(24.35)
Profit / (Loss) after tax	10.08	(198.08)

REVIEW OF OPERATIONS AND PERFORMANCE:

Your company has reported a growth of 4.53 % on turnover of ₹ 3170.58 Lakhs during the financial year 2015-16 compared to the turnover of ₹ 3033.22 Lakhs in the previous financial year 2014-15. Your Company has reported a growth of 105.09 % on net profit of ₹ 10.08 Lakhs during the financial year 2015-16 against a net loss of ₹ 198.08 Lakhs during the previous financial year 2014-15.

Your Directors are putting consistent effort to increase the turnover and net profit so that the Company can meet the expectations of the stakeholders.

DIVIDEND:

Due to inadequate profits, your Directors do not recommend any dividend for the year under review.

SHARE CAPITAL:

The Paid up equity share capital as on 31st March, 2016 was ₹ 2,079.63 Lakhs. During the year under review, the Company has not issued any shares to the Shareholders. The company has neither issued shares with differential voting rights nor granted stock options or sweat equity shares.

FINANCE:

Cash and cash equivalents as at 31st March, 2016 was ₹ 247.37 Lakhs. The Company continues to focus on judicious management of its working capital, receivables, inventories and other working capital parameters which are kept under strict check through continuous monitoring.

TRANSFER TO RESERVE:

Consequence to inadequate profits, your company has not transferred any amount to reserve.

DEPOSITS:

During the year under review, your company has not accepted any deposits from public covered under Sections 73 to 76 or any other relevant provisions of the Act and rules framed there under.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

During the year under review, your Company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

The detail of the investments made by the company is given in the notes to the financial statements.



OUTLOOK FOR THE CURRENT YEAR:

Your company will establish infrastructure facilities for separate super-specialty for Cornea and Retina at Peelamedu Main Hospital, Coimbatore.

Your Company is planning to establish the new centre at Gobichettipalayam, Erode District.

Your Company is also planning to establish another branch in Tirupur in couple of years.

CORPORATE SOCIAL RESPONSIBILITIES:

Your company does not falls under the category to comply with Corporate Social Responsibility as required under Section 135 of the Companies Act, 2013 and Rules made there under. Hence it is not applicable.

DIRECTORS:

Appointment:

Pursuant to the provision of sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the members of the Company approved the appointment of Ms. Sangeetha Sundaramoorthy (DIN: 01859252) as Whole Time Director of the Company for a period of 5 years with effect from 1st August, 2014, liable to retire by rotation.

Further, Dr. Kavetha Sundaramoorthy was appointed as an Additional Director by the Board of the Company in their meeting held on 30th May, 2016. As required by section 160 of the Act, a notice in writing has been received from a shareholder along with a deposit of ₹ 1,00,000, proposing her candidature for the office of Director liable to retire by rotation. The said appointment is subject to approval of the members at the ensuing Annual General Meeting.

Directors retiring by rotation:

Ms. Sangeetha Sundaramoorthy (DIN: 01859252), Whole-Time Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible, offer herself for re-appointment.

Information regarding the Directors seeking appointment/ re-appointment:

Resume and other information regarding the Directors seeking appointment / re-appointment as required by Regulation 36 of the SEBI (LODR) Regulations, 2015 has been given in the Notice convening the ensuing Annual General Meeting and in the Statement pursuant to Section 102 of the Act.

Declaration by Independent Directors:

All Independent Directors have given declaration that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and regulation 16(b) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

Familiarisation Programme:

Your Company is yet to adopt the policy on Familiarization programme of Independent Directors. However at the time of the appointment of an Independent Director, the Company issues a formal letter of appointment outlining his / her role, function, duties and responsibilities and further, familiarizes with the activities of the Company on continual basis. The format of letter of appointment is available on the website of the Company (<http://www.lotuseye.org/team.php>)

Statutory Disclosure:

None of the Directors of the Company are disqualified as per the applicable provisions of the Act. However, Dr. Kavetha Sundaramoorthy (DIN: 02050806), Director vacated the office of Director of the Company with effect from 15.02.2016 due to not attending any board meetings held during the last twelve months.

BOARD EVALUATION:

Pursuant to the provisions of Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board has carried out an evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit Committee and Nomination and Remuneration Committee.

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

The criteria for performance evaluation are as under:

Performance Evaluation of Board:

Key Parameters: Degree of fulfillment of key responsibilities; Board structure and composition; Establishment and delineation of responsibilities to Committees; Effectiveness of Board processes, information and functioning; Board Culture and Dynamics; Quality of relationship between the Board and the Management; Efficacy of communication with external stakeholders, etc.

Self Assessment of the Performance by Individual Directors (including Independent Director):

Key Parameters: Attendance at meetings; contribution at meetings; independence of judgment; direction / guidance to senior Management, etc.

Self Assessment of the Performance by the Board Level Committees:

Key Parameters: Degree of fulfillment of key responsibilities; Adequacy of Committee Composition; Effectiveness of meetings; Committee dynamics; Quality of relationship of the committee with the Board and the Management, etc.

The Directors have expressed their satisfaction with the evaluation process.

REMUNERATION POLICY:

The Policy on Board Diversity and Nomination & Remuneration Policy as recommended by the Nomination & Remuneration Committee have been approved by the Board of Directors. The said policies are annexed to the Board's Report as "**Annexure-IV**" and are also available on the Company's website at the following link: <http://www.lotuseye.org/corporate.php>

MEETINGS:

During the year, four Board Meetings, four Audit Committee Meetings and one Nomination and Remuneration Committee Meeting were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

COMMITTEES OF THE BOARD:

Currently the Company has three Committees i.e. Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee. All the committees are Independent under the Chairmanship of an Independent Director. The details of the compositions, terms of reference, meetings, etc., of said Committees are given in the Report on Corporate Governance which forms part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 134 (5) of the Companies Act, 2013, the Directors would like to state that:

- I. In the preparation of the annual accounts the applicable accounting standards have been followed.
- II. Appropriate accounting policies have been selected and applied consistently, and judgments and estimates that have been made are reasonable and prudent so as to give a true and fair view of the company at the end of the financial year and of the company for that period.
- III. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- IV. Annual accounts have been prepared on going concern basis.
- V. Internal financial controls to be followed by the company and that such internal financial control are adequate and were operating effectively.
- VI. Devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.



RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014.

INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY:

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

There are no significant and material orders passed by the Regulators / Courts / Tribunals which would impact the going concern status and Company's operations in future.

SUBSIDIARY COMPANIES:

The Company does not have any subsidiary company.

CHANGE IN NATURE OF BUSINESS, IF ANY:

During the year under review, there is no change in nature of business of the Company.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting financial position of the Company which have occurred between the end of the financial year of the Company to which the Financial Statements relate and date of the report.

CODE OF CONDUCT:

The Board of Directors have approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviors of any form and the Board has laid down the directives to counter such acts. The code laid down by the Board is known as "code of conduct" which forms an Appendix to the Code. The Code has been posted on the Company's website <http://www.lotuseye.org/corporate.php>

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behavior from an employee in a given situation and the reporting structure.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Management Staff were given appropriate training in this regard.

KEY MANAGERIAL PERSONNEL

The details of the Key Managerial Personnel of the Company, their appointment / cessation during the year under review and remuneration are given in the Extract of Annual Return annexed hereto and forming a part of this Report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

Your Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour.

Your Company is committed to developing a culture where it is safe for any Whistle Blower to raise concerns about any poor or unacceptable practice and any event of misconduct. The alleged misconduct may be classified in many ways; namely, violation of a law, rule, regulation and / or a direct threat to public interest, such as health and safety violations and corruption.

Your Company will not tolerate any form of victimization and will take appropriate steps to protect a bona fide whistle blower and shall treat any retaliation as a serious disciplinary offence that merits disciplinary action. The Company will

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protect the identity of the whistle blower, if so desired, provided that the whistle blower will need to attend any disciplinary hearing or proceedings as may be required for investigation of the complaint. The mechanism provides for a detailed complaint and investigation process. If circumstances so require, the employee can make complaint directly to the Chairman of the Audit Committee. The said mechanism can also be availed by the Directors of the Company.

'Whistle Blower Policy' of your Company is available on the website of the Company at the following link:

<http://www.lotuseye.org/corporate.php>

PREVENTION OF INSIDER TRADING:

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

The same Code is available on the website of the Company at the following link:

<http://www.lotuseye.org/corporate.php>

All Board Directors and the designated employees have confirmed compliance with the Code.

AUDITOR'S REPORT:

The observation made in the Auditors' Report read together with relevant notes thereon are self explanatory and hence, do not call for any further comments under Section 134 of the Companies Act, 2013.

AUDITORS:

The Auditors M/s. V E K A M and Associates, Chartered Accountants, Coimbatore, retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

INTERNAL AUDITORS:

M/s. Anbarasu & Jalapathi, Chartered Accountants was appointed as the Internal Auditors of the Company for the financial year 2015-16 pursuant to Section 138(1) of the Act.

SECRETARIAL AUDIT/AUDITORS:

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed Mr. P. Eswaramoorhy (CP No. 7069) Company Secretary in Practice to undertake the Secretarial Audit of the Company.

As required under section 204 (1) of the Companies Act, 2013 the Company has obtained a secretarial audit report. The Company Secretary in Practice has made certain observations in its Secretarial Audit Report which is annexed herewith as "Annexure-II".

EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure-III".

BUSINESS RISK MANAGEMENT:

The Company has a robust Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimise adverse impact on the business objectives and enhance the Company's competitive advantage. As part of the Risk Management framework, the Company reviewed periodically the various risks and finalised the mitigation plans. The identified risk areas were covered by the Internal Audit and major risks were discussed periodically.

PARTICULARS OF EMPLOYEES:

Statements containing the details as required in terms of the provisions of Section 197 of the Act read with Rule 5(1), (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached to this Report as "Annexure-I". During the year under review, no complaint / case was filed pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.



CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS:

The Corporate Governance and Management Discussion & Analysis Report, which form an integral part of this Report, are set out as separate Annexure, together with the Certificate from the Auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. (Refer "Annexure-IV" and "Annexure-V").

CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo are as under:

a) Conservation of Energy:

Steps taken for conservation	The operation of the Company being service related, require normal consumption of electricity. The Company is taking every necessary step to reduce the consumption of energy.
Steps taken for utilizing alternate sources of energy	Nil
Capital investment on energy conservation equipments	In view of the nature of activities carried on by the Company, there is no capital investment on energy conservation equipments.

b) Technology Absorption:

Efforts made for technology absorption	Nil
Benefits derived	Nil
Expenditure on Research & Development, if any	Nil
Details of technology imported, if any	Nil
Year of import	Nil
Whether imported technology fully absorbed	Nil
Areas where absorption of imported technology has not taken place, if any	Nil

c) Foreign Exchange Earnings / Outgo (₹ in Lakhs):

Earnings	Nil
Outgo	48.18

ACKNOWLEDGEMENTS:

Your Company and its Directors wish to extend their sincerest thanks to the Members of the Company, Bankers, State Government, Local Bodies, Customers, Suppliers, Executives, Staff at all levels for their continuous cooperation and assistance.

For and on behalf of the Board

Place : Coimbatore
Date : 30th May, 2016

(Sd.) S.K. Sundaramoorthy
Chairman cum Managing Director

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Annexure-I to Boards' Report

STATEMENT OF DISCLOSURE OF REMUNERATION UNDER SECTION 197(12) OF COMPANIES ACT, 2013 AND RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- i) **Ratio of the remuneration of each director¹ to the median remuneration of the employees of the Company for the financial year 2015-16 :**

Sl. No.	Name	Designation	Ratio
1.	Dr. S.K. Sundaramoorthy	Chairman cum Managing Director	33.8:1
2.	Ms. Sangeetha Sundaramoorthy	Whole-time Director	2.25:1

- ii) **Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary and Manager in the financial year 2015-16 :**

Sl. No.	Name	Designation	% increase in remuneration
1.	Dr. S.K. Sundaramoorthy	Chairman cum Managing Director	16.67
2.	Ms. Sangeetha Sundaramoorthy	Whole-time Director	Nil
3.	CA M.Venkatachalapathi	Chief Financial Officer	Nil
4.	CS K. Rangasamy	Company Secretary ²	-

- iii) **The percentage increase in the median remuneration of employees in the financial year 2015-16:**

5.92% increase on salaries in 2015-16 over 2014-15 based on the median remuneration

- iv) **The number of permanent employees on the rolls of Company:**

There were 335 numbers of permanent employees on the rolls of the Company as on 31.03.2016.

- v) **The explanation on the relationship between average increase in remuneration and Company performance:**

The remuneration philosophy of the Company is to provide performance driven remuneration with reference to external market norms and in relation to other positions within the Company, keeping in mind the Company's performance.

- vi) **Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:**

The Net Profit before Tax of the Company for the financial year 2015-16 was increased by 105.09 % from that of the previous year. Since Mr. K. Rangasamy, Company Secretary, Key Managerial Personnel left the organization during the part of the year. Hence, comparison could not be carried out.



- vii) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies:

Particulars	BSE (As on)		NSE (As on)	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Closing Market Price	15.95	12.34	15.90	12.55
Market Capitalization (₹ in Lakhs)	3317.01	2566.27	3306.62	2609.94
P/E Ratio	319 times	(12.99) times	318 times	(13.21) times

Price of the equity shares of the company has decreased from IPO price by 58.15% (NSE).

- viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average increase in the salary of employees during the year was 5.92% while average increase in managerial remuneration was 16.67%.

- ix) Comparison of the remuneration of each of the Key Managerial Personnel against the performance of the Company:

(₹ in Lakhs)

KMP's Name	Remuneration for the FY 2015-16	% Increase in Remuneration	% Increase in Revenue	% Increase in Profit
Dr. S.K. Sunadaramoorthy, Chairman cum Managing Director	42.00	16.67%	4.53%	105.09 %
Ms. Sangeetha Sundaramoorthy, Whole-time Director	2.80	NIL		
CA M. Venkatachalapathi Chief Financial Officer	7.44	NIL		
CS K. Rangasamy ² Company Secretary	3.85	-		

- x) The key parameters for any variable component of remuneration availed by the directors:
The Managing Director and Whole-time Director are not entitled to any variable pay.
- xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:
During the Financial Year 2015-16, no employee received remuneration in excess of highest paid-director.
- xii) Affirmation that the remuneration is as per the remuneration policy of the Company:
It is hereby confirmed that the remuneration paid during the year 2015-16 is as per the Nomination & Remuneration Policy of the Company.

Notes:

- Other directors' entitled to receive sitting fees only.
- CS K. Rangasamy has resigned with effect from 23.10.2015.

STATEMENT OF DISCLOSURE OF REMUNERATION UNDER SECTION 197(12) OF COMPANIES ACT, 2013 AND RULE 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Since no employee is drawing salary more than prescribed as per above provision. Hence it is not applicable.

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Annexure-II to Board's Report

SECRETARIAL AUDIT REPORT

Form No. MR-3

For the Financial Year Ended on 31st March, 2016

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

To

The Members

Lotus Eye Hospital and Institute Limited

CIN : L85110TZ1997PLC007783

S.F. No. 770/12, Avinashi Road

Civil Aerodrome Post

Coimbatore – 641 014

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Lotus Eye Hospital And Institute Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minutes' books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder.
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
- iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder.
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder.
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

-
- d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client.

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

I have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- i) During my review, I have come across instances wherein the Company has not made the necessary intimations and filings with the Stock Exchanges within the prescribed time limits. The company has paid fine to NSE for delayed filing as under regulation 27 and 31 for quarter ended 31st December, 2015.
- ii) The Company is yet to comply with the formulation of the stipulated policies and codes and the disclosure of the same as stipulated under the LODR Regulations and Companies Act, 2013. As per the information provided by the Company, the same shall be duly complied with by the Company, in time for the Board Meeting to be convened in the month of August, 2016.
- iii) Appointment of Company Secretary has not been made within the time prescribed under the provisions of the Companies Act, 2013.
- iv) One of the Directors Dr. Kavetha Sundaramoorthy has not attended any of the Board Meetings held during the year 2015-16. Hence, her office has become vacant under section 167(b) of the Companies Act, 2013.
- v) Full name of the Company has to be properly displayed wherever name appears as per the provisions of the Companies Act, 2013.
- vi) Disclosure of trading by the promoters and others as required under The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to be complied with.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors, Independent Directors and Woman Director. There is no change in the composition of the Board of Directors during the period under review.

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

I am informed that there were no dissenting members on any matters during the year, whose views were required to be captured and recorded as part of the minutes.

I further report that based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit and also on the review of statutory compliances, in my opinion, systems, processes and control mechanism need to be improved in the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no instances of

- i) Public / Rights / Preferential Issue of shares / Debentures / Sweat Equity etc.
- ii) Redemption / buy-back of securities.
- iii) Major decisions taken by the members in pursuance of Section 180 of the Companies Act, 2013.
- iv) Merger/ amalgamation/ reconstruction etc.
- v) Foreign technical collaborations.

The members are requested to read this report along with my letter of even date annexed to this report.

Place : Coimbatore
Date : 30th May, 2016

P. Eswaramoorthy
Company Secretary in Practice
FCS No. : 6510
CP No. : 7069



ANNEXURE 'A' TO SECRETARIAL AUDIT REPORT

To

The Members
Lotus Eye Hospital and Institute Limited
CIN: L85110TZ1997PLC007783
S.F. No. 770/12, Avinashi Road
Civil Aerodrome Post
Coimbatore – 641 014

My Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records, devising proper systems to ensure compliance with the provisions of all applicable laws and regulations and ensuring that the systems are adequate and operate effectively, are the responsibilities of the management of the Company. My responsibility is to express an opinion on these secretarial records, systems, standards and procedures, based on audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in the secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Coimbatore
Date : 30th May, 2016

P. Eswaramoorthy
Company Secretary in Practice
FCS No. : 6510
CP No. : 7069

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Annexure-III to Boards' Report

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2016
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L85110TZ1997PLC007783
ii)	Registration Date	14/03/1997
iii)	Name of the Company	LOTUS EYE HOSPITAL AND INSTITUTE LIMITED
iv)	Category / Sub-Category of the Company	Company Limited by Shares
v)	Address of the registered office and contact details	770/12, Avinashi Road, Civil Aerodrome Post Coimbatore – 641 014. E-mail : companysecretary@lotuseye.org Website : www.lotuseye.org Phone : 0422-4229900, 4229999 Fax : 0422-4229933
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent	S.K.D.C. Consultants Limited Post Box No. 20416, Kanapathy Towers, 3 rd Floor, 1391/A-1, Sathy Road, Ganapathy Post, Coimbatore – 641 006. Phone : 0422-654995, 2539835 Fax : 0422-2539837

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S.No.	Name and Description of main products / services	NIC code of the Product Service	% to total turnover of the Company
1.	Healthcare Service	85110	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

S.No.	Name and Address of Subsidiary	CIN/ GLN	Holding/Subsidiary Association	% of shares held	Applicable Section
1.	N.A.	N.A.	N.A.	N.A.	N.A.



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

i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year			% of Total Shares	No. of shares held at the end of the year			% change during the year		
	Demat	Physical	Total		Demat	Physical	Total	% of Total Shares	-	
A (1) Promoters										
a) Individual/HUF	11045997	200	11046197	53.12	11046220	200	11046220	53.12	0.00	
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Bank / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Others	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (1):-	11045997	200	11046197	53.12	11046220	200	11046220	53.12	0.00	
(2) Foreign										
a) NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other – Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other ...	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Shareholdings of Promoter (A) = (A) (1) + (a) (2)	11045997	200	11046197	53.12	11046220	200	11046220	53.12	0.00	
B. Public Shareholding										
a) Mutual Funds/ Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt.(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Venture Capital funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) FIIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(1):	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2. Non-Institutions										
a) Bodies Corp.										
i) Indian	530643	Nil	530643	2.55	862361	Nil	862361	4.15	1.60	
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto ₹ 1 Lakhs	4089087	107	4089194	19.66	4531755	207	4531962	21.79	2.13	
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakhs	4472850	Nil	4472850	21.51	3780094	Nil	3780094	18.18	-3.33	
c) Others	121434	Nil	121434	0.58	133966	Nil	133966	0.64	0.06	
Non Resident Indians	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Clearing Members	226229	Nil	226229	1.09	143547	Nil	143547	0.69	-0.40	
Hindu Undivided Family	309783	Nil	309783	1.49	298180	Nil	298180	1.43	-0.06	
Sub-total (B)(2):	9750026	107	9750133	46.88	9749903	207	9750110	46.88	0.00	
Total Public Shareholdings (B)=(b) (1)+(B) (2)	9750026	107	9750133	46.88	9749903	207	9750110	46.88	0.00	
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	20796023	307	20796330	100.000	20795923	407	20796330	100.000	0.00	

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ii) Shareholding of Promoters

Share Holder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
	No. of Shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	% change in share holding during the year
1 Kaliannagounder Sundaramoorthy	10599897	50.97	Nil	10599920	50.97	0.00	0.00
2 Dr. Kavetha Sundaramoorthy	223050	1.07	Nil	223050	1.07	0.00	0.00
3 Ms. Sangeetha Sundaramoorthy	223050	1.07	Nil	223050	1.07	0.00	0.00
4 S.A. Karuppasamy	100	Nil	Nil	100	Nil	Nil	Nil
5 V. Saroja	100	Nil	Nil	100	Nil	Nil	Nil

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

S.No.	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	11046197	53.12	11046197	53.12
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) Date : 15.05.2015	23	0.00	11046020	53.12
At the End of the year	11046197	53.12	11046020	53.12

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

S.No.	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
	No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
01 Mr. A.K.S. SARAVANAN				
At the beginning of the year	1030779	4.95	1030779	4.95
26.06.2015 Purchase	75685	0.36	1106464	5.31
11.12.2015 Sell	10000	0.05	1096464	5.27
22.01.2016 Purchase	26720	0.13	1123184	5.39
22.01.2016 Purchase	104168	0.50	1019016	4.89
At the end of the year			1019016	4.89

02 Ms. SANGEETA CHOUDHARY

At the beginning of the year	459864	2.21	459864	2.21
08.01.2016 Purchase	112500	0.54	572364	2.75
04.03.2016 Purchase	120767	0.58	693131	3.33
At the end of the year			693131	3.33

03 Dr. RAJEEV CHOUDHARY

At the beginning of the year	439235	2.11	439235	2.11
At the end of the year			439235	2.11

04 KOVAI PURANI FINANCE PVT. LTD.

At the beginning of the year	49645	0.24	49645	0.24
03.04.2015 Purchase	149	0.00	49794	0.24
10.04.2015 Purchase	52	0.00	49846	0.24
17.04.2015 Purchase	1154	0.01	51000	0.25
01.05.2015 Purchase	5000	0.02	56000	0.27
15.05.2015 Purchase	5000	0.02	61000	0.29
12.06.2015 Purchase	10000	0.05	71000	0.34
26.06.2015 Purchase	4000	0.02	75000	0.36
10.07.2015 Purchase	3294	0.02	78294	0.38
17.07.2015 Purchase	21706	0.10	100000	0.48
07.08.2015 Purchase	17489	0.08	117489	0.56
21.08.2015 Purchase	23807	0.11	141296	0.68
04.09.2015 Purchase	58377	0.28	199673	0.96
11.09.2015 Purchase	54	0.00	199727	0.96
18.09.2015 Purchase	16	0.00	199743	0.96
25.09.2015 Purchase	14	0.00	199757	0.96
30.09.2015 Purchase	2	0.00	199759	0.96
16.10.2015 Purchase	8510	0.04	208269	1.00
23.10.2015 Purchase	7731	0.04	216000	1.04
06.11.2015 Purchase	10491	0.05	226491	1.09
20.11.2015 Purchase	23502	0.11	249993	1.20
04.12.2015 Purchase	18007	0.09	268000	1.29
18.12.2015 Purchase	5697	0.03	273697	1.32
22.01.2016 Purchase	41303	0.20	315000	1.51
05.02.2016 Purchase	4993	0.02	319993	1.54
19.02.2016 Purchase	20002	0.10	339995	1.63
25.03.2016 Purchase	9901	0.05	349896	1.68
At the end of the year			349896	1.68

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05 Mr. SANJAY DINESH SHAH				
At the beginning of the year	175500	0.84	175500	0.84
11.12.2015 Sell	50000	0.24	125500	0.60
At the end of the year			125500	0.60
06 Mr. HARISH RAMANAN				
At the beginning of the year	104078	0.50	104078	0.50
12.06.2015 Purchase	7557	0.04	111635	0.54
19.06.2015 Purchase	9344	0.04	120979	0.58
At the end of the year			120979	0.58
07 Mr. PARAS KANOOGA M				
At the beginning of the year	105102	0.51	105102	0.51
06.11.2015 Sell	100	0.00	105002	0.50
At the end of the year			105002	0.50
08 Mr. SUBRAMANIAN K .				
At the beginning of the year	94506	0.45	94506	0.45
At the end of the year			94506	0.45
09 Mr. MAGESH KANOOGA S				
At the beginning of the year	209764	1.01	209764	1.01
03.04.2015 Sell	5500	0.03	204264	0.98
17.04.2015 Sell	4460	0.02	199804	0.96
17.07.2015 Sell	1100	0.01	198704	0.96
24.07.2015 Sell	20901	0.10	177803	0.85
31.07.2015 Sell	3124	0.02	174679	0.84
14.08.2015 Sell	2618	0.01	172061	0.83
21.08.2015 Sell	15259	0.07	156802	0.75
28.08.2015 Sell	4350	0.02	152452	0.73
11.09.2015 Sell	100	0.00	152352	0.73
11.09.2015 Sell	6000	0.03	146352	0.70
16.10.2015 Sell	7196	0.03	139156	0.67
23.10.2015 Sell	2288	0.01	136868	0.66
23.10.2015 Sell	4766	0.02	132102	0.64
06.11.2015 Sell	100	0.00	132002	0.63
18.12.2015 Sell	2647	0.01	129355	0.62
15.01.2016 Sell	35112	0.17	94243	0.45
19.02.2016 Sell	2682	0.01	91561	0.44
At the end of the year			91561	0.44
10 Mr. MAHENDRA GIRDHARILAL				
At the beginning of the year	90713	0.44	90713	0.44
At the end of the year			90713	0.44



v) **Shareholding of Director and Key Managerial Personnel:**

S.No.	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
	No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1 Dr. S.K. Sundaramoorthy, Managing Director				
At the beginning of the year	10599897	50.97	10599897	50.97
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) Purchase - 15.05.2015	23	0.00	10599920	50.97
At the End of the year			10599920	50.97
2 Dr. Kavetha Sundaramoorthy, Director				
At the beginning of the year	223050	1.07	223050	1.07
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)				
At the End of the year	223050	1.07	223050	1.07
3 Ms. Sangeetha Sundaramoorthy, Director				
At the beginning of the year	223050	1.07	223050	1.07
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)				
At the End of the year	223050	1.07	223050	1.07
4 Mr. M. Venkatachalapathi, CFO				
At the beginning of the year	Nil	Nil	Nil	Nil
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	Nil	Nil	Nil	Nil
At the End of the year	Nil	Nil	Nil	Nil
5 Mr. K. Rangasamy, Company Secretary				
At the beginning of the year	50	Nil	50	Nil
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	Nil	Nil	Nil	Nil
At the End of the year	50	Nil	50	Nil

V. **INDEBTEDNESS (₹ in Lakhs)**

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

S.No.	Secured Loans excluding deposits	Secured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	80.10	Nil	Nil	80.10
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i + ii + iii)	80.10	Nil	Nil	80.10
Change in Indebtedness during the financial year				
Addition	Nil	Nil	Nil	Nil
Reduction	16.73	Nil	Nil	16.73
Net Change Indebtedness	16.73	Nil	Nil	16.73
At the end of the financial year				
i) Principal Amount	66.37	Nil	Nil	66.37
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i + ii + iii)	66.37	Nil	Nil	66.37

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (₹ in Lakhs)

S.No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Dr. S.K. Sundaramoorthy CMD	Ms. Sangeetha Sundaramoorthy, WTD	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	42.00	2.80	44.80
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission- as % of profit- others, specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total (A)	42.00	2.80	44.80
	Ceiling as per the Act			
1.	In case of adequate Profit	10% of the Net Profit	10% of the Net Profit	10% of the Net Profit
2.	In case of no Profit or inadequate Profit	42.00	42.00	84.00
	Plus contribution to Provident Fund, Superannuation, Gratuity and encashment of leave to the extent permitted under the Act			

B. Remuneration to other Directors : (₹ in Lakhs)

S. No.	Particulars of Remuneration	Name of the Directors						Total Amount
		D.R.Kaarthikeyan	Dr.S.S.Badrinath	R.Subramanian	G.R.Karthikeyan	Dr.Yogesh Shah	M.Alagiriswamy	
1	Independent Directors							
	Fee for attending Board / Committee Meetings	0.50	0.00	0.25	0.30	0.10	0.35	1.50
	Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1)	0.50	0.00	0.25	0.30	0.10	0.35	1.50
2	Other Non-Executive Directors							
		Mr. P.K. Venkatachalam	Dr. Kavetha-Sundaramoorthy#					
	Fee for attending Board / Committee Meetings	0.00	0.00					0.00
	Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (2)	0.00	0.00					0.00
	Total (B)=(1+2)	0.50	0.00	0.25	0.30	0.10	0.35	1.50
	Total Managerial Remuneration							46.30
	Overall Ceiling as per the Act	11% of the Net Profits of the Company as calculated under Section 198. The said percentage shall be exclusive of any fees payable to Directors under Section 197(5).						

Dr. Kavetha Sundaramoorthy vacated the office w.e.f. 15.02.2016 by not attending any board meetings held during the last 12 months.



C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (₹ in Lakhs)

S.No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		CFO	Company Secretary*	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7.44	3.85	11.29
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission- as % of profit- others, specify	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total (A)	7.44	3.85	11.29

* CS K.Rangasamy has resigned with effect from 23.10.2015.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment Compounding fees imposed	Authority (RD/NCLT Court)	Appeal made, if any (give details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Annexure-IV to Boards' Report

Management Discussion and Analysis:

Indian Macroeconomic

India is one of the few shining spots on an otherwise gloomy global economic map. While most of the global economies did not fare well in the past year, the process of economic recovery in India continued with the GDP growth being one of the highest in the world. Renewed industrial activity, sustained low crude oil prices, favorable business sentiments, easing interest rates have spurred the economic growth. The government's promise to stick to the fiscal deficit target for the current year and reduce it for the next year bodes well for the Indian economy. Indian GDP grew at 7.3% for FY16 and is projected to grow at 7.5% in the next fiscal year.

Industry Structure and Development

The Indian healthcare sector is expected to register a compound annual growth rate (CAGR) of 22.9 per cent during 2015-20 to US\$ 280 billion. Rising income level, greater health awareness, increased precedence of lifestyle diseases and improved access to insurance would be the key contributors to growth.

The private sector has emerged as a vibrant force in India's healthcare industry, lending it both national and international repute. It accounts for almost 74 per cent of the country's total healthcare expenditure.

Further, presence of world-class hospitals and skilled medical professionals has strengthened India's position as a preferred destination for medical tourism.

The Government of India aims to develop India as a global healthcare hub. It has created the National Health Mission (NHM) for providing effective healthcare to both the urban and rural population. The Government is also providing policy support in the form of reduced excise and customs duty, and exemption in service tax, to support growth in healthcare.

Opportunities and Threats

Though there is a stiff competition in eye care, your company is reasonably doing well. It is because of the established name for quality eye care and increase in demand for eye care in the public.

Our company is situated in South India and faces competition from other hospitals in the home town. Since South India is a one of the favorite destination in India for advanced treatment therefore enormous opportunities are available.

Segment-wise or product-wise performance

Your Company operates in only one segment i.e. Health Care and Related Activities.

Sector Outlook

The Indian healthcare sector is expected to register a compound annual growth rate (CAGR) of 22.9 per cent during 2015-20 to US\$ 280 billion. Rising income level, greater health awareness, increased precedence of lifestyle diseases and improved access to insurance would be the key contributors to growth.

Risks and concerns

i) Competition

The competition from the un-organized sector would be met by delivering quality eye care services at par with international standards which the un-organized sector lacks in view of constraints in investment to create a quality eye hospital.



Because of increased opportunities, many private players are entering into this sector. Your Company can counter this challenge by providing focused eye care delivery and by deploying the state of the art equipments backed by panel of expert Doctors.

ii) Shortage of skilled manpower

Increasing demand for health care services combined with the aggressive expansion by the Indian private health care players is expected to significantly increase the demand for medical professionals. Similarly there is a shortage of medical and para-medical staff. We have a talented and skilled manpower in terms of Doctors, Nurses and para-medical staff. We continue to attract talented and skilled medical professionals.

iii) Investment

The health care sector is a capital intensive sector and need significant funding to grow.

iv) Regulatory Risk

The evolution of the global regulatory environment has resulted in increased regulatory scrutiny that has raised the minimum standards to be maintained. This signifies the alignment of corporate performance objectives, while ensuring compliance with regulatory requirements

Internal control systems and their adequacy

Your company has established internal control systems to ensure optimum use in protecting its resources and ensuring adherence to its policies, procedures and statutes. There is proper and adequate system of internal control for the company and its branches. The company has appointed M/s. Anbarasu & Jalapathi, Chartered Accountants as the Internal Auditor of the Company to review the adequacy of the internal control system, procedures and policies. The internal auditor evaluates the adequacy of the internal control systems by testing the control mechanism and gives their recommendations to the management.

Discussion on financial performance with respect to operational performance

Financial performance with respect to operational performance has been dealt with in the Directors' Report which should be treated as forming part of this Management Discussion and Analysis Report.

Material developments in Human Resources / Industrial Relations front, including number of people employed

There were 335 numbers of permanent employees on the rolls of the Company as on 31.03.2016. During the year under review, your company enjoyed cordial relationship with the employees at all levels.

Cautionary Statement

The Management Discussion and Analysis Report contains forward looking statements based upon the data available with the Company, assumptions with regard to global economic conditions, the government policies etc. Actual results might differ materially from those either expressed or implied.

For and on behalf of the Board

Place : Coimbatore
Date : 30th May, 2016

(Sd.) S.K. Sundaramoorthy
Chairman cum Managing Director

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Annexure-V to Boards' Report

REPORT ON CORPORATE GOVERNANCE

(Annexure to the Nineteenth Directors' Report 2015-16)

Introduction

Corporate Governance is considered as a fundamental tool for the robust operation of corporate entities. Sound governance practices and responsible corporate behaviour contribute to superior long-term performance of companies. Adaptation to changing times is the key to corporate growth and long term survival. Constant endeavors to improve the corporate governance practices are required as well. Infact, better governance practices enable companies to introduce more effective internal controls suitable to the changing nature of business operations, improve performance and also provide an opportunity to increase public understanding of their key activities and policies. Indian companies have adopted better governance practices and have demonstrated openness in their dealings with stakeholders across the board. Over the years, this has been augmented by regulatory authorities introducing and improving governance regulations for Indian companies.

Date of Report

The information provided in this Report on Corporate Governance for the purpose of unanimity is as on March 31, 2016. This Report is updated as on the date of the Report wherever applicable.

1. The Company's philosophy on Corporate Governance

The Fundamental object of corporate governance policies is based on the highest levels of transparency, accountability in terms of responsibility towards shareholders, creditors, employees and society at large. Your company has committed to ensure high standards of corporate governance on a sustained basis.

2. Board of Directors

Composition

As on 31st March 2016, the strength of the Board is Eight Directors. As per SEBI Regulations if the Chairman is an Executive Director, at least half of the Board should comprise of independent directors and there should be a woman director. Lotus has a balanced Board with combination of Executive and Non-Executive Directors including six Independent Directors and a Woman Director. The composition of Board is compliant with the requirements of Regulation 17(1) of the SEBI (LODR) Regulations, 2015.

Name of the Director	Category as per SEBI Regulation	Directorship in other Public Ltd Companies	Membership and / or Chairperson of Committees	
			Member*	Chairman#
Dr. S.K. Sundaramoorthy (Chairman cum Managing Director)	Executive - Promoter	Nil	1	-
Ms. Sangeetha Sundaramoorthy	Executive - Promoter	Nil	1	-
Dr. Kavetha Sundaramoorthy* (Additional Director)	Non-Executive - Promoter	Nil	Nil	Nil
Mr. P.K. Venkatachalam** (Alternate Director to Ms. Kavetha Sundaramoorthy)	Promoter	Nil	Nil	Nil
Dr. S.S. Badrinath	Non-Executive - Independent	Nil	Nil	Nil
Mr. D.R. Kaarthikeyan	Non-Executive - Independent	9	8	1
Dr. Yogesh Shah	Non-Executive - Independent	Nil	Nil	Nil
Mr. G.R. Karthikeyan	Non-Executive - Independent	Nil	2	-
CA R. Subramanian	Non-Executive - Independent	1	-	4
CA M. Alagiriswamy	Non-Executive - Independent	Nil	2	-



* Excluding private limited companies, foreign companies, companies under Section 8 of the Companies Act, 2013 and alternate directorships

Includes only positions held in Audit Committee and Stakeholders' Relationship Committee in other Indian public limited companies.

** Alternate Directorship held by Mr. P.K.Venkatachalam was ceased with effect from 8th July, 2015 due to death.

+ Dr. Kavetha Sundaramoorthy vacated the office w.e.f. 15th February, 2016 due to not attending any board meeting held during the last twelve months.

Further, Dr. Kavetha Sundaramoorthy appointed as an Additional Director by the Board of the Company in their meeting held on 30th May, 2016.

Except Dr. S.K.Sundaramoorthy, Dr. Kavetha Sundaramoorthy and Ms. Sangeetha Sundaramoorthy, no director of the Company is related to any other director on the Board of the Company.

Except Dr. Kavetha Sundaramoorthy (Non-Executive – Promoter) who is holding 2,23,050 (Two Lakhs Twenty Three Thousand Fifty only) Shares representing 1.073% of total shareholding, no other Non-Executive Director is holding any shares in the Company.

Meetings

The Board met four times during the year under review i.e. on 30th May, 2015, 12th August, 2015, 14th November, 2015 and 14th February, 2016.

Attendance details of each director at the Board Meetings, committee Meetings and at the last Annual General Meeting are set out below.

Name of the Directors	Board Meeting (4)	Audit Committee (4)	Nomination & Remuneration Committee (1)	Stakeholders Relationship Committee (0)	Annual General Meeting
Dr. S.K. Sundaramoorthy	4	-	-	-	Yes
Ms. Sangeetha Sundaramoorthy	4	4	1	-	No
Dr. Kavetha Sundaramoorthy	-	-	-	-	No
Mr. P.K. Venkatachalam	0	-	-	-	No
Dr. S.S. Badrinath	1	-	-	-	No
Mr. D.R. Kaarthikeyan	4	4	1	-	Yes
Dr. Yogesh Shah	1	-	-	-	No
Mr. G.R. Karthikeyan	2	2	1	-	No
CA R. Subramanian	2	2	-	-	No
CA M. Alagiriswamy	3	3	-	-	Yes

The figures within brackets denote the number of meetings held during the period 1st April, 2015 to 31st March, 2016.

Familiarisation Programme

Your Company is yet to adopt the policy on Familiarization programme of Independent Directors. However at the time of the appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities and further, familiarizes with the activities of the Company on continual basis. The format of letter of appointment is available on the website of the Company (<http://www.lotuseye.org/team.php>)

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

3. Audit Committee

Terms of Reference

Terms of reference of the Audit Committee includes overseeing the financial reporting process, review of financial statements, ensuring compliance with the regulatory guidelines, review of internal audit reports, recommending appointment and remuneration of auditors to the Board of Directors and to review adequacy of internal control systems and internal audit function and other matters specified for Audit Committee under Section 177 of the Companies Act, 2013 and the Part C of the Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All recommendation made by Audit Committee during the year were accepted by the Board. The detailed terms of reference of audit committee can be found on the website of the Company. (<http://www.lotuseye.org/corporate.php>)

Composition & Meetings:

There were four meetings held during the year i.e. on 30th May, 2015, 12th August, 2015, 14th November, 2015 and 14th February, 2016.

CFO, representative of Statutory Auditors and Internal Auditors attended the meeting as Invitees. Company Secretary of the Company also acts as the Secretary to the Committee.

Composition of Audit Committee is as follows:

S.No.	Name	Category	Meeting Attended
1.	CA R. Subramanian	Chairman – Independent – Non-Executive	2
2.	Mr. D.R. Kaarthikeyan	Member – Independent – Non-Executive	4
3.	Ms. Sangeetha Sundaramoorthy	Member – Non Independent – Executive	4
4.	Mr. G.R. Karthikeyan	Member – Independent – Non-Executive	2
5.	CA M. Alagiriswamy	Member – Independent – Non-Executive	3

4. Nomination and Remuneration Committee

Terms of Reference

The terms of reference of the Nomination & Remuneration Committee cover all the areas mentioned under Section 178 of the Companies Act, 2013 and Part D of the Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The broad terms of reference of the Committee includes:

- i) Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- ii) Recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees of the Company;
- iii) Identify persons who are qualified to become directors and who may be appointed in senior management;
- iv) Evaluation of performance of all Directors.

Composition & Meetings:

The Committee met once during the year on 30th May, 2015.

Company Secretary of the Company also acts as the Secretary to the Committee.

Composition of Nomination and Remuneration Committee is as follows :

S.No.	Name	Category	Meeting Attended
1.	Mr. D.R. Kaarthikeyan	Chairman – Independent – Non-Executive	1
2.	Dr. Yogesh Shah	Member – Independent – Non-Executive	0
3.	Ms. Sangeetha Sundaramoorthy	Member – Non Independent – Executive	1
4.	Mr. G.R. Karthikeyan	Member – Independent – Non-Executive	1

Performance Evaluation Criteria for Independent Directors

Performance of each of the Independent Directors are evaluated every year by the entire Board with respect to various factors like attendance at meetings; contribution at meetings; independence of judgment; direction / guidance to senior management, etc.

5. Remuneration Policy

The Policy on Board Diversity and Nomination & Remuneration Policy as recommended by the Nomination & Remuneration Committee have been approved by the Board of Directors. The said policies are annexed to the Board's Report and are also available on the Company's website at the following link: <http://www.lotuseye.org/corporate.php>

The Non-Executive Independent Directors of the Company do not have any other material pecuniary relationships or transactions with the Company or its directors, senior management, subsidiary or associate, other than sitting fees.

During financial year 2015-16 Non-Executive Directors were paid sitting fee at the rate of 5000/- for attending each meeting(s) of the Board and Committees thereof.

Details of the Sitting fees paid and Commission payable to the Non-Executive Directors of the Company for Financial year 2015-2016 are as under:

(₹ in Lakhs)	
Name of the Directors	Sitting Fees Paid
Mr. D.R. Kaarthikeyan	0.50
CA R. Subramanian	0.25
Mr. Yogesh Shah	0.10
Dr. Kavetha Sundaramoorthy	0.00
Dr. S.S. Badrinath	0.00
Mr. G.R. Karthikeyan	0.30
CA M. Alagiriswamy	0.35

6. Stakeholders Relationship Committee

The Committee shall consider and resolve the grievances of the security holders of the listed entity including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends etc.

There was no meeting held during the year under review.

S.No.	Name	Category	Meeting Attended
1.	Mr. D.R. Kaarthikeyan	Chairman - Independent – Non-Executive	0
2.	CA R. Subramanian	Member - Independent – Non-Executive	0
3.	Dr. S.K. Sundaramoorthy	Member - Non Independent – Executive	0
4.	CA M. Alagiriswamy	Member - Independent – Non-Executive	0

Company Secretary of the Company is the Compliance officer. Details of the same can be found on the website of the company at the following link : http://www.lotuseye.com/Investors_Grievances.php

During the year the company has not received any complaints from the investors and there were no outstanding complaints as on 31.03.2016.

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

7. Annual General Meeting

The date, venue and time of the Annual General Meetings held during the preceding three years are given below:

Financial year	Details of Meeting	Date and Time of Meeting	Venue	Special Resolutions
2014 - 15	18 th AGM	28.09.15 – 3.00 P.M	Registered Office at SF No.770/12, Avinashi Road, Civil Aerodrome Post, Coimbatore – 641 014.	No
2013 - 14	17 th AGM	24.09.14 – 3.00 P.M	Registered Office at SF No.770/12, Avinashi Road, Civil Aerodrome Post, Coimbatore – 641 014.	Yes
2012 - 13	16 th AGM	25.09.13 – 3.00 P.M	Registered Office at SF No.770/12, Avinashi Road, Civil Aerodrome Post, Coimbatore – 641 014.	Yes

No Special Resolutions was required to be put through postal ballot during the financial year under review.

No Special Resolutions on matters requiring postal ballot are placed for Shareholders' approval at the ensuing Annual General Meeting.

8. Means of Communication

Your Company has promptly reported all material information including declaration of quarterly financial results, etc. to all Stock Exchanges where the securities of the Company are listed. Such information is also simultaneously displayed immediately on the Company's website www.lotuseye.org. The quarterly, half yearly and annual financial results and other statutory information were generally communicated to the shareholders by way of an advertisement in an English newspaper and in a vernacular language newspaper as per requirements of the Listing Regulations.

9. General Shareholders Information

- a) **AGM Date, Time and Venue** : 31st August, 2016 – 10.00 A.M
Registered Office at SF No.770/12, Avinashi Road, Civil Aerodrome Post,, Coimbatore – 641 014.
- b) **Financial Calendar** : 1st April to 31st March
- c) **Date of Book Closure** : 25th August, 2016 to 31st August, 2016 (both days inclusive)
- d) **Listing of**
- i) **Equity Shares** : **Bombay Stock Exchange Limited (BSE)**
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
: **National Stock Exchange of India Limited (NSE)**
Exchange Plaza, Bandra Kurla Complex
Bandra (E), Mumbai – 400 051
- ii) **Listing Fees** : **Annual Listing fees for the year 2015-16 have been paid to all the above mentioned Stock Exchanges and there is no fee outstanding as on date.**
- e) **Custodial Fees** : **Custodial fees paid to the CDSL and NSDL and there is no fees outstanding as on date.**



- f) **Stock Exchange Security Code For Equity Shares** : BSE - Scrip Code : 532998 – Scrip Name : LOTUSEYE
NSE - Scrip Code : LOTUSEYE
- g) **Demat ISIN Numbers in NSDL & CDSL for Equity Shares** : INE 947101017
- h) **Address of the Registered Office / Address for Correspondence** : 770/12, Avinashi Road, Civil Aerodrome Post, Coimbatore – 641 014.
- i) **Hospital Branches** :
1. 155B, East Periasamy Road, Opposite to Chinthamani, North Coimbatore, R.S.Puram, Coimbatore – 641 002.
 2. No. 5 (2), Gajalakshmi Theatre Road, Tirupur – 641 601.
 3. 86, Brindhavan Road, Fairlands, Salem – 636 004.
 4. No. 140, Coimbatore Main Road, Opp. Bus Stand, Mettupalayam – 641 031.
 5. No.53/33A – 33F, Thejas Towers, SA Road, Kadavanthara, Cochin – 682 020.
 6. 229A, Kurisingal House, Mulanthuruy Post, Cochin – 382 314.

j) **Market Price Data:**

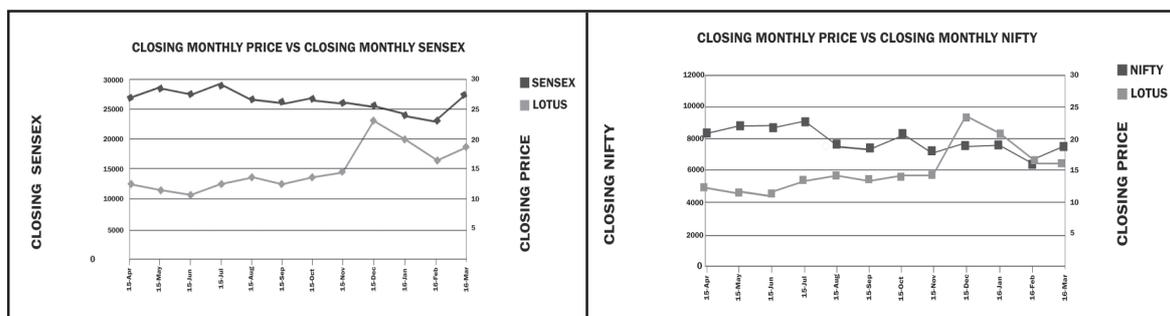
Monthly High & Low Prices of shares traded on BSE & NSE for the period from April 2014 to March 2015 (Shares listed on 11.07.2008)

Month	Share Price in ₹			
	BSE (High & Low)		NSE (High & Low)	
April, 2015	14.50	12.00	14.45	11.75
May, 2015	13.61	11.50	13.7	11.6
June, 2015	14.20	09.89	13.15	9.8
July ,2015	14.39	10.45	14.25	10.9
August, 2015	16.40	11.50	16.3	11.3
September, 2015	13.84	11.00	13.9	11.65
October, 2015	15.20	13.00	14.85	12.75
November, 2015	16.00	13.25	16.8	13.3
December, 2015	24.40	13.75	27.2	13.8
January, 2016	25.95	15.95	25.9	15.85
February, 2016	22.30	15.25	22.4	15.4
March, 2016	17.25	16.00	19.3	15.5

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

k) Performance and comparison to broad based indices such as BSE Sensex etc.

CLOSING MONTHLY PRICE VS CLOSING MONTHLY SENSEX AND NIFTY



- l) **Registrar & Share Transfer / Demat Agents :** M/s.S.K.D.C Consultants Limited,
Kanapathy Towers, 3rd Floor,
1391/A-1, Sathy Road,
Ganapathy, Coimbatore - 641 006.
Tel. No. : 0422-6549995, 2539835
Fax No. : 0422-2539837
E-mail. info@skdc-consultants.com

m) Share Transfer System

99.99% of the Company's paid-up equity share capital is held in dematerialized form (only 407 share were held in the physical form). However the transfer requests are processed within 15 days from the date of such request, subject to the documents being valid and complete in all respects. Based on a SEBI directive, the equity shares of the Company are permitted to be traded only in dematerialized form.

n) Category of Shareholder & Distribution of Shareholding

i) Categories of Shareholders as on 31.03.2016

S.No	Category	No. of Share holders	No. of Shares held	% of paid up Share Capital
1	Promoters and Promoters group	5	11046220	53.12
2	Foreign Institutional Investors	0	0	0.00
3	Bodies Corporate	142	862361	4.15
4	Individuals	7986	8312056	39.97
5	Others	340	575693	2.77
	Total	8473	20796330	100.00



ii) Distribution of Shareholding as on 31.03.2016

Range (No. of Shares)		No. of Share holders	No. of Equity Shares	% of Shareholding
1	- 500	6210	1199219	5.76
501	- 1000	1123	975319	4.69
1001	- 2000	555	894008	4.30
2001	- 3000	192	509957	2.45
3001	- 4000	76	280084	1.35
4001	- 5000	110	529586	2.55
5001	- 10000	115	829913	3.99
10001	- 20796330	92	15578244	74.91
Total		8473	20796330	100.00

o) Dematerialization of Shares:

The Company has already entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to enable members of the Company to select the Depository of their choice for holding and dealing in shares in electronic form.

The Shareholders are requested to make use of such facility for maximizing their convenience in dealing with Company's shares. The ISIN (International Securities Identification Number) of the Company is INE 947101017.

As on 31st March 2016, 99.99% of the Company's paid-up equity capital were held in dematerialized form (only 407 shares in the physical form).

p) Outstanding ADRs/GDRs or warrants or any convertible instruments, conversion date and likely impact on equity: Not Applicable

q) Commodity price risk or foreign exchange risk and hedging activities: Not Applicable

10. Other Disclosures:

a) Related Party Transactions

Details of related party transactions are disclosed in General Note No. 28(3) in Notes on Accounts forming part of the Accounts, as required under Accounting Standard 18 of The Institute of Chartered Accountants of India and all related party transactions are negotiated, on an arm's length basis. There were no materially significant related party transactions with directors, promoters, management, relatives or related companies etc. which had potential conflict, with the interests of the Company at large.

Transactions, in which directors may have substantial interest, are submitted to the Board and the interested directors, neither participates in the discussion, nor do they vote in such matters. Details of related party transactions are reviewed by the Audit Committee periodically.

The policy for related party transaction can be viewed at the following link:

<http://www.lotuseye.org/corporate.php>

b) Compliance by the Company

The company has fairly complied with the requirements of the Stock Exchanges and SEBI. During the last three years, however there are some non-compliances which were observed in the Secretarial Audit Report. (Please refer MR-3)

Apart from the above mentioned non compliances company has paid fine to NSE for delayed filing as under regulation 27 and 31 for quarter ended 31st December, 2015.

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

c) Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee

The Whistle Blower & Vigil Mechanism Policy approved by the Board has been implemented and no personnel has been denied access for making disclosure or report under the Policy to the Vigilance Officer and/or Audit Committee.

d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has fairly complied with all mandatory requirement of the Listing Regulations. The status of compliance with non-mandatory requirements of SEBI Listing Regulations are as detailed hereunder:

Audit Qualification – The financial statements of the Company are unqualified.

e) Accounting Treatment

The Accounting Standards issued by The Institute of Chartered Accountants of India is followed by the Company and the Company has not adopted a treatment different from that prescribed by any Accounting Standard in the preparation of financial statements.

f) Risk Management

The Management continuously evaluates business risk and review the probable risks, that may have an adverse impact on the operations and profitability of the Company and gives suitable solutions to mitigate such risks.

g) Insider Trading Policy

The code of conduct for prevention of Insider Trading, as suggested under the SEBI (Prohibition of Insider Trading) Regulations, 2015 has been introduced with effect from 15.05.2015. The Company Secretary has been designated as the Compliance Officer for this purpose. The Board monitors the adherence to the various requirements as set out in the code. No violation of the code has taken place during the year.

h) CEO / CFO Certification

Pursuant to the provisions of Regulation 17(8) read with part B of the Schedule II of the Listing Regulations with the Stock Exchanges, the Chairman and Managing Director (CEO) and Chief Financial Officer (CFO) have issued a Certificate to the Board as required for the Financial Year ended 31st March 2016. The Executive Director and the Chief Financial Officer of the Company also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of Listing Regulations.

i) Code of Conduct

The Company's Board has laid down code of conduct for the employees at all levels including Senior Management and Directors of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the code of conduct.

j) Compliance with Corporate Governance Norms

The Company has complied with all the mandatory requirements of Corporate Governance norms as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46.

k) Management

The Management Discussion and Analysis form a part of the Directors' Report.

DECLARATION OF COMPLIANCE TO THE CODE OF CONDUCT BY DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

To

The Members of Lotus Eye Hospital and Institute Limited

In accordance with Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel including me, have affirmed compliance to their respective Codes of Conduct, as applicable for the Financial Year ended 31st March, 2016.

For and on behalf of the Board

Place : Coimbatore

Date : 30th May, 2016

(Sd.) S.K. Sundaramoorthy

Chairman cum Managing Director



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Lotus Eye Hospital and Institute Limited (Formerly Lotus Eye Care Hospital Limited)

We have examined the compliance of conditions of corporate governance by Lotus Eye Hospital and Institute Limited for the year ended on 31.03.2016, as stipulated in clause 49 of the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said company with stock exchange(s).

The compliance conditions of corporate governance are the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and Management, we certify that the Company has complied with the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As required by the guidance note issued by the Institute of Chartered Accountants of India, we have to state that based on the representation given by the Registrars of the Company to the Stakeholders' Relationship Committee as on 31st March, 2016, there were no investors' grievance matters against the Company remaining pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For V E K A M AND ASSOCIATES
Chartered Accountants
Firm Registration No: 052565

Place : Coimbatore
Date : 30th May, 2016

(Sd.) **CA M.P. Panneerselvan**
Partner
Membership No. 026129

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

CEO / CFO CERTIFICATION

To

The Board of Directors
Lotus Eye Hospital and Institute Limited

As required by Regulation 17(8) read with part B of the Schedule II of the Listing Regulations

We hereby certify that:

- a) We have reviewed the financial statements for the year ended 31st March 2016 and that to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violate any of the Company's code of conduct.
- c) We accept that responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the audit committee that there are no
 - i) significant changes in internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For and on behalf of the Board

Place : Coimbatore
Date : 30th May, 2016

(Sd.) S.K. Sundaramoorthy
Chairman cum Managing Director

(Sd.) CA M. Venkatachalapathi
Chief Financial Officer

Annexure-VI to Boards' Report

NOMINATION & REMUNERATION POLICY

Key Highlights

1. Preamble

- 1.1 Sub-section (3) of Section 178 of the Companies Act, 2013 and Listing Agreement states that the Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- 1.2 The Policy provides a framework for remuneration to the members of the Board of Directors ("Board"), and the Key Managerial Personnel ("KMP") of the Company.
- 1.3 This Policy will be called "Lotus Nomination & Remuneration Policy" and referred to as "the Policy".

2. Objectives

- 2.1 To set criteria for determining qualifications, positive attributes and independence of a director, and their remuneration.
- 2.2 To enable the Company to attract, retain and motivate highly qualified members for the Board to run the Company successfully.
- 2.3 To enable the Company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.
- 2.4 To ensure that the interests of Board members are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company.

3. Principles of Remuneration

Support for Strategic Objectives, Transparency and Affordability and Sustainability

4. Procedure for selection and appointment

The Committee, along with the Board, shall review on an annual basis, appropriate skills, characteristics and experience required of a Board Member. The objective is to have a Board with diverse background and experience in such business, government, academics, technology and in areas that are relevant for the Company's global operations.

The Chairman and the Head of Human Resource (HR) Department shall identify and appoint suitable candidates for appointing them as KMPs (excluding Executive Directors) of the Company on the basis of their academic, professional qualifications, relevant work experience, skill and other capabilities suitable to the position of concerning KMP. The appointment and/or removal of KMPs shall be placed before the NRC and/or Board of Directors at regular intervals.

5. Compensation Structure

5.1 Remuneration to Non-Executive Directors:

Sitting fees, and may also be entitled to reimbursement of expenses for attending the meetings.

5.2 Remuneration to Executive Directors, and Key Managerial Personnel(s) (KMPs) of the Company:

The remuneration determined for MD/WTDs shall be approved by the Board of Directors at a meeting which shall be subject to the approval of members at the next general meeting of the Company and by the Central Government in case such appointment is at variance to the conditions specified in Schedule V of the Companies Act, 2013.

Remuneration to other Key Managerial Personnel(s) depends on the factors like external competitive environment; track record, potential, individual performance and performance of the company as well as industry standards etc.

(Full version of this Policy is available on the website of the Company at the following link:

<http://www.lotuseye.org/corporate.php>)

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

POLICY ON BOARD DIVERSITY

Key Highlights:

1. PURPOSE

In accordance with the clause 49 of Listing Agreement as amended, the Company has framed a formal policy on Board diversity which sets out a framework to promote diversity on Company's Board of directors (the 'Board').

2. VISION

The Company recognizes the importance and benefits of having the diverse Board to enhance quality of its performance.

3. POLICY STATEMENT

- i) The Company believes that a diverse Board will enhance the quality of the decisions made by the Board by utilizing the different skills, qualification, professional experience, gender, knowledge etc. of the members of the Board, necessary for achieving sustainable and balanced development. For appointments of persons to office of Directors and deciding composition of the Board, the Nomination, Remuneration and Compensation Committee (NRC Committee) and the Board shall also have due regard to this policy on Board diversity.
- ii) In this process, the NRC Committee / Board will take into consideration qualification and wide experience of the Directors in the fields of finance, regulatory, administration, legal, and hospital segment.
- iii) The total number of Directors constituting the Board shall be in accordance with the Articles of Association of the Company.
- iv) The Board of Directors of the Company shall have an optimum combination of executive and non-executive directors with at least one woman Director and the composition of the Board shall be in accordance with the requirements of the Articles of Association of the Company, the Companies Act, 2013, and the Listing Agreement.

4. REVIEW OF THE POLICY

The Nomination, Remuneration and Compensation Committee will review the policy from time to time and make recommendations on any required changes to the Board for consideration and approval.

5. DISCLOSURE OF THE POLICY

This policy will be posted on the Company's website. The necessary disclosures about the policy will also be made as per requirements of Listing Agreement and Companies Act 2013.

For and on behalf of the Board

Place : Coimbatore
Date : 30th May, 2016

(Sd.) S.K. Sundaramoorthy
Chairman cum Managing Director



INDEPENDENT AUDITORS' REPORT

To the Members of LOTUS EYE HOSPITAL AND INSTITUTE LIMITED (Formerly Lotus Eye Care Hospital Limited)

Report on the Financial Statements

We have audited the accompanying financial statements of LOTUS EYE HOSPITAL AND INSTITUTE LIMITED, (Formerly Lotus Eye Care Hospital Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the company's directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the Annexure "A", a statement on the matters specified in Paragraphs 3 and 4 of the Order, to the extent applicable
2. As required by section 143 (3) of the Act, we report to the extent applicable that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid, Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013;
 - f. With respect to adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate report in 'Annexure B',
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – *Refer note 27 Contingent Liabilities to the financial statements;*
 - ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
 - iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

For V E K A M AND ASSOCIATES
Chartered Accountants
Firm Registration No: 052565

(Sd.) CA M.P. Panneerselvan
Partner
Membership No. 026129

Place : Coimbatore
Date : 30th May, 2016

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" in the Independent Auditors' report of even date to the members of **LOTUS EYE HOSPITAL AND INSTITUTE LIMITED** (Formerly Lotus Eye Care Hospital Limited) on the financial statements for the year ended 31st March, 2016.

- i) a) The company is in the process of updating its records showing full particulars including quantitative details and situation of fixed assets. However an item wise list of fixed assets containing the particulars for calculation of depreciation is maintained.
- b) All the fixed assets have not been physically verified by the management during the year but there is a phased programme of verification based on the item wise list maintained for calculation of depreciation which, in our opinion, needs to be strengthened having regard to the size of the company and nature of its assets. As informed, no material discrepancies were noticed on such verification. However, in absence of complete information in fixed asset register as stated in clause (a) above, we are unable to comment on the discrepancies, if any.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company. (except leasehold land & building's)
- ii) As explained to us, the inventories except goods in transit, has been physically verified by the Management during the year and there were no material discrepancies were noticed on such verification between the physical stock and the book records. In our opinion, the frequency of such verification is reasonable.
- iii) According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions stated in paragraph 3 (iii) (a) and 3 (iii) (b) of the Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments, provided guarantees or security and hence reporting under clause (iv) of the CARO 2016 Order is not applicable.
- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- vi) The Company informed us that the Central Government of India has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, for any of the services rendered by the Company.
- vii) a) According to the information and explanations and records provided to us, the undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, customs duty, cess and other material statutory dues applicable to it have generally been regularly deposited with appropriate authorities however, there have been slight delay in a few cases.

According to the information and explanation given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income tax, sales tax, value added tax, customs duty, service tax, cess and any other material statutory dues were in arrears as at 31.03.2016 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, the dues outstanding with respect to, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and other material statutory dues applicable to it, on account of any dispute, are as follows:



Nature of statute	Nature of Dues	Amount (₹ in Lakhs)	Amount Paid (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Kerala Value Added Tax Act	VAT Liability	1.89/-	0.57/-	01.04.2012 to 31.03.2013	The Assistant Commissioner (Appeals)
Kerala Value Added Tax Act	VAT Liability	5.21/-	1.54/-	01.04.2013 to 31.03.2014	The Assistant Commissioner (Appeals)

- viii) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions(s), bank(s) or debenture holder(s). The company did not have any outstanding dues to any financial institutions, government or debenture holders during the year.
- ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purposes for which they were raised.
- x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 order is not applicable.
- xiii) Based on the information and explanations given to us by the Company, transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Financial Statements with applicable accounting standards.
- xiv) According to the information and explanations given to us and based on our examination and records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) Based on the information and explanations given to us by the Company, the company has not entered into any non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the companies Act, 2013 are not applicable.
- xvi) Based on the information and explanations given to us by the Company, the company has not required to be registered under section 45-IA of the Reserve Bank of India Act,1934.

For V E K A M AND ASSOCIATES
Chartered Accountants
Firm Registration No: 05256S

Place : Coimbatore
Date : 30th May, 2016

(Sd.) **CA M.P. Panneerselvan**
Partner
Membership No. 026129

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

ANNEXURE 'B' TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 (f) under 'Report on Legal and Regulatory Requirements of our report of even date)

Report on the Internal financial controls Over Financial Reporting under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **LOTUS EYE HOSPITAL AND INSTITUTE LIMITED** (Formerly Lotus Eye Care Hospital Limited) ('the Company') as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the company; (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of the management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For V E K A M AND ASSOCIATES

Chartered Accountants
Firm Registration No: 052565

Place : Coimbatore
Date : 30th May, 2016

(Sd.) **CA M.P. Panneerselvan**
Partner
Membership No. 026129

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Balance Sheet as at 31st March, 2016

(₹ in Lakhs)

Particulars	Note No.	As at 31 st March, 2016	As at 31 st March, 2015
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	2,079.63	2,079.63
(b) Reserves and Surplus	3	2,868.85	2,858.78
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	4	47.90	66.67
(b) Long-Term Provisions	5	31.19	27.17
(3) Current Liabilities			
(a) Trade Payables	6	259.50	318.31
(b) Other Current Liabilities	7	169.89	280.82
(c) Short-Term Provisions	8	25.92	10.13
TOTAL		5,482.88	5,641.51
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	9		
(i) Tangible Assets		4,329.87	4,698.66
(ii) Intangible Assets		27.06	5.38
(iii) Capital work in progress		42.34	27.36
		4,399.27	4,731.39
(b) Deferred Tax Asset (Net)	10	15.32	3.19
(c) Long term loans and advances	11	440.01	409.36
(2) Current Assets			
(a) Inventories	12	278.12	308.52
(b) Trade receivables	13	50.94	35.31
(c) Cash and cash equivalents	14	247.37	51.55
(d) Short-term loans and advances	15	51.85	102.18
Branch / (HO) - Balance		-	-
TOTAL		5,482.88	5,641.51

Significant Accounting Policies & Notes on Financial Statements 1 to 28

<p>As per our Report of even date attached For V E K A M AND ASSOCIATES <i>Chartered Accountants</i> Firm Registration No: 05256S (Sd.) CA M.P. Panneerselvan <i>Partner</i> Membership No. 026129 Place : Coimbatore Date : 30th May, 2016</p>	<p>For and on behalf of the Board of Directors</p> <p>(Sd.) Dr. S.K. Sundaramoorthy <i>Chairman cum Managing Director</i></p> <p>(Sd.) CA M. Alagiriswamy <i>Director</i></p> <p>(Sd.) CS Aditya Sharma <i>Company Secretary</i></p>	<p>(Sd.) CA R. Subramanian <i>Director</i></p> <p>(Sd.) CA M. Venkatachalapathi <i>Chief Financial Officer</i></p>
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Statement of Profit and Loss Account for the year ended 31st March, 2016

(₹ in Lakhs)

Particulars	Note No.	Year ended 31 st March, 2016	Year ended 31 st March, 2015
INCOME:			
Revenue from operations	16	3,113.22	2,989.80
Other Income	17	57.36	43.43
TOTAL REVENUE		3,170.58	3,033.22
EXPENSES:			
Cost of materials consumed	18	351.38	414.88
Purchase of Stock-in-Trade	19	488.92	528.16
Service Expenses	20	552.81	590.96
Changes in inventories	21	55.92	(15.09)
Employee Benefit Expenses	22	624.82	552.42
Finance Cost	23	8.33	5.52
Depreciation and Amortization Expenses	24	443.54	476.18
Other Expenses	25	647.84	705.21
TOTAL EXPENSES		3,173.56	3,258.24
Profit / (Loss) before Tax and Exceptional item		(2.98)	(225.02)
Exceptional Items			
Profits / (Loss) on Sale of Fixed Assets	26	0.79	0.29
Depreciation Withdrawn		0.14	2.30
Profit / (Loss) Before Tax		(2.05)	(222.43)
Tax Expenses			
(1) Current tax (including provisions)		-	-
(2) Deferred tax (Income / Expenses)		12.13	24.35
Profit / (Loss) for the year		10.08	(198.08)
Earning per equity share:			
(1) Basic		0.05	(0.95)
(2) Diluted		0.05	(0.95)

Significant Accounting policies & Notes on Financial statements 1 to 28

As per our Report of even date attached For V E K A M AND ASSOCIATES Chartered Accountants Firm Registration No: 05256S (Sd.) CA M.P. Panneerselvan Partner Membership No. 026129 Place : Coimbatore Date : 30 th May, 2016	For and on behalf of the Board of Directors (Sd.) Dr. S.K. Sundaramoorthy Chairman cum Managing Director (Sd.) CA M. Alagiriswamy Director (Sd.) CS Aditya Sharma Company Secretary	(Sd.) CA R. Subramanian Director (Sd.) CA M. Venkatachalapathi Chief Financial Officer
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LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2016	Year ended 31 st March, 2015
A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit / Loss Before Tax and after Extrordinary Items	(2.05)	(222.42)
ADJUSTMENTS FOR:		
Depreciation	443.54	476.18
Income on Investments	(25.78)	(9.57)
Depreciation Withdrawn	(0.14)	(2.30)
Profit on Sale of Assets	(0.79)	(0.29)
Interest Expenses	8.33	5.52
Operating profit before working capital changes	423.11	247.12
ADJUSTMENTS FOR:		
(Increase) / Decrease in Inventories	30.40	55.20
(Increase) / Decrease in Trade Receivables	(15.63)	4.11
(Increase) / Decrease in Short Term Loans and Advances	50.33	(5.13)
Increase / (Decrease) in Current Liability	(153.95)	(63.90)
Cash Generated From (Used in) Operating Activities	334.26	237.39
Tax Paid	-	-
Net Cash Generated from /(used in) Operating Activities	334.26	237.39
B) CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	(100.14)	(548.52)
Capital Work in Progress	(14.99)	-
Sales of Assets	4.64	73.90
Interest Received	25.78	9.57
Net Cash Generated from (Used in) Investing Activities	(84.70)	(465.05)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Interest Expenses	(8.33)	(5.52)
Increase / (Decrease) in Long Term Borrowings	(18.77)	62.09
Increase / (Decrease) in Long Term Provisions	4.01	7.15
Increase / (Decrease) in Long Term Loans & Advances	(30.65)	123.49
Net Cash From / (Used in) Financing Activities	(53.74)	187.21
(Increase) /Decrease In Cash and Cash Equivalents	195.82	(40.45)
Cash and Cash Equivalents at the Beginning of the Year	51.55	92.00
Cash and Cash Equivalents at the End of the Year	247.37	51.55
Cash on Hand	8.24	8.88
Balance With Bank	239.13	42.67

As per our Report of even date attached

For **V E K A M AND ASSOCIATES**

Chartered Accountants

Firm Registration No: 05256S

(Sd.) **CA M.P. Panneerselvan**

Partner

Membership No. 026129

Place : Coimbatore

Date : 30th May, 2016

For and on behalf of the Board of Directors

(Sd.) **Dr. S.K. Sundaramoorthy**
Chairman cum Managing Director

(Sd.) **CA R. Subramanian**
Director

(Sd.) **CA M. Alagiriswamy**
Director

(Sd.) **CA M. Venkatachalapathi**
Chief Financial Officer

(Sd.) **CS Aditya Sharma**
Company Secretary



Note No. 1**A. Nature of Operations:**

The company was incorporated as "Kalavani Health Centre Pvt Ltd" on 14.03.1997. The name of the company was changed to "Lotus Eye Care Hospital Pvt Ltd" on 23.01.2001 and later on the company was converted into Public Limited Company on 16.10.2007 and subsequently the name was changed to "Lotus Eye Hospital and Institute Limited" on 12.4.2013 and the Company is mainly in the field of ophthalmology (Eye) and its related operation. The Company has seven centers at Peelamedu, R.S. Puram, Mettupalayam, Tirupur, Salem, Cochin and Mulanthurthy. The Company's Equity shares are Listed on 03.08.2008 with Bombay Stock Exchange Ltd and National Stock Exchange of India Ltd, Mumbai .

B. SIGNIFICANT ACCOUNTING POLICIES:**a) Method of Accounting**

The Financial statements have been prepared to comply in all material respects with the accounting standards specified under section 133 of the Companies Act, 2013 read with rule 7 of the companies(Accounting Standards) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under historical cost convention on an accrual basis. The Accounting policies have been consistently applied by the Company with those used in the previous year.

b) Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities disclosures relating to contingent liabilities and assets as at the balance sheet date and reported amounts of income and expenses during the year. Difference between the actual amounts and the estimates are recognised prospectively in the year in which the events are materialised.

c) Fixed Assets, Depreciation and Amortization of Tangible Fixed Assets

Fixed Assets are stated at cost comprises of the purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

Depreciation on fixed assets is provided under Written Down Value Method at the rates determined based on Useful Lives of the respective assets and the residual values in accordance with Schedule II of the Companies Act, 2013.

On Improved Leased Assets, the value capitalized in the earlier year relating to the superstructure, has been equally written off over a period of 5 years in all the centre's, though the lease agreement in Mettupalayam, Cochin (Mulanthuruthy) and Salem Brindhavan is renewable every year, based on the assumption that the minimum lease period will continue for 5 years.

d) Inventories

Closing stock of Pharmacy, Canteen, Theatre items, and Consumables are valued at lower of cost and net realizable value and stock of optical and contact lens at Market Price. Cost is arrived at first in first out basis except optical and contact lens.

e) Revenue Recognition

All Income and expenses to the extent they are considered as receivable and payable respectively, unless specifically stated to be otherwise are accounted for on mercantile basis.

In respect of claims from insurance Companies which are accounted as and when the claims are accepted or settled by the insurance company whichever is earlier.

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

f) Borrowing Cost

Borrowing cost attributable to the acquisition or construction of qualifying assets is capitalized as a part of such assets. All other borrowing cost is recognized as expense in the period in which they are incurred.

A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.

g) Lease

The Company's significant Leasing arrangements are in respect of Operating Lease for Medical Equipments which are cancelable in nature. The Lease rentals paid/received under such agreements are charged to Profit and Loss Account.

h) Translation of Foreign Currency Transactions:

1. Foreign currency transactions are recorded at exchange rates prevailing on the date of such transactions.
2. Foreign currency monetary assets and liabilities at the year end are realigned to the exchange rate prevailing at the year end and the difference on realignment is adjusted in the Profit and Loss account.
3. Non-monetary foreign currency items are carried at cost.

i) Retirement Benefits

Payment to defined contribution schemes are charged as expense as and when incurred.

Post Employment and other long term benefits which are defined benefit plans are recognized based on the present value of the obligation determined in accordance with Accounting Standard 15 on "Employee Benefits"

j) Taxes on Income

Tax on Income for the Current Period is determined on the basis of taxable income and tax credit computed in accordance with the provisions of the Income Tax Act 1961, and based on the expected outcome of assessments/ appeals. Deferred Tax is recognized on timing difference between accounting income and the taxable income for the year quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date. Deferred Tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

k) Interim Financial Reporting

Quarterly financial results are published in accordance with the guidelines issued by SEBI. The recognition and measurement principles as laid down in the standard are followed with respect to such results. Quarterly financial results are subjected to a limited review by the auditors as required by SEBI.

l) Impairment of Assets

At the Balance Sheet date an assessment is done to determine whether there is any indication of impairment in the carrying amount of the company's fixed assets. An asset is treated impaired when carrying cost of assets exceeds its recoverable value.

An impairment loss is charged to the Profit and Loss Account in the year in which an asset identified as impaired. The impairment loss, if any, recognized in prior accounting period is reversed if there has been any change in the estimate of recoverable amount.

m) Contingent Liabilities

Contingent liabilities, which are considered significant and material by the Company, not provided for in the books of accounts are disclosed by way of notes to accounts.



NOTE No.: 2 SHARE CAPITAL

(₹ in Lakhs)

Sl. No.	Particulars	As at 31.03.2016	As at 31.03.2015
1.	Authorised Capital		
	2,50,00,000 Equity Shares of ₹ 10/- each.	2,500.00	2,500.00
		<u>2,500.00</u>	<u>2,500.00</u>
2.	Issued, Subscribed & Paid up capital		
	2,07,96,330 Equity Shares of ₹ 10/- each	2,079.63	2,079.63
	Total	2,079.63	2,079.63

- The Company has only one class of shares referred to as equity shares having par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share.
- Before amalgamation 211000 Equity shares of ₹ 100/- each consists of initial subscription to memorandum and subsequent allotment to the promoters.
- 497900 Equity shares of ₹ 100/- each issued on 03.08.2007 pursuant to High Court Order dated 09.07.2007 approving the scheme of amalgamation of Dr. S.K.S. Eye Care Centre Private Limited with Lotus Eye Care Hospital Limited.
- 345233 Equity shares of ₹ 100/- each were allotted as bonus shares on 28.08.2007 by Capitalisation of general reserve.
- The face value of equity shares was split from ₹ 100/- per share to ₹ 10/- per share on 03.09.2007. Due to this the total number of shares consist of 10541330 shares of ₹ 10 each.
- 255000 equity shares of ₹ 10/- each were allotted to M/s. Bennett and Coleman Company Ltd on 22.01.2008 on preferential allotment with a premium of ₹ 40/- per share.
- 10000000 equity shares of ₹ 10/- each allotted on 03.07.2008 through Initial Public Offer (IPO) with a premium of ₹ 28/- per share.
- In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in Proportion to the number of equity shares held by the shareholders.
- Details of Shareholders holding more than 5% shares in the Company**

Sl. No.	Name of the Shareholder	Equity share As at 31.03.2016		Equity shares As at 31.03.2015	
		No. of shares held	% of holding	No. of shares held	% of holding
1	Dr. S.K. Sundaramoorthy	10,599,920	50.97	10,599,897	50.97

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

j) Reconciliation of shares outstanding at the beginning and at the end of the period

Sl. No.	Particulars	Equity share As at 31.03.2016		Equity shares As at 31.03.2015	
		No. of shares	Amount in ₹	No. of shares	Amount in ₹
1	At the beginning of the period	20,796,330	207,963,300	20,796,330	207,963,300
	Add: Shares issued during the year	-	-	-	-
	Less: Shares bought back during the year	-	-	-	-
	Add: Other movements during the year	-	-	-	-
	Outstanding at the end of the period	20,796,330	207,963,300	20,796,330	207,963,300

k) The Company has no stock option plans

Note No. 3 Reserves & Surplus

(₹ in Lakhs)

Sl. No.	Particulars		As at 31.03.2016	As at 31.03.2015
1.	Securities Premium Reserve	A	2,514.14	2,514.14
2.	Surplus (Profit & Loss Account)			
	Balance brought forward from previous year		344.64	542.72
	Add: Profit / (Loss) for the period		10.08	(198.08)
		B	354.72	344.64
	Total (A + B)		2,868.85	2,858.78

a. The premium collected on above issue of equity shares amounting to ₹ 2800 Lakhs and also of the preferential allotment of ₹ 102 Lakhs has been credited to Securities Premium Account during the financial year 2008-09.

b. Utilization of Initial Public Offer (IPO) funds up to 31st March, 2016

(₹ in Lakhs)

Details	As at 31.03.2016	As at 31.03.2015
Proceeds from issue of shares	3,800.00	3,800.00
Less : Expenses for issue	387.86	387.86
Add : Interest and Dividend from Temporary Investments	71.21	71.21
Net IPO Proceeds	3,483.35	3,483.35
Less : Funds deployed towards the project	3,483.35	3,483.12
Unutilized IPO funds deposited in the form of Temporary investment / Current account with bank	-	0.23



Non-Current Liabilities

Note No. 4 Long Term Borrowings

(₹ in Lakhs)

Sl. No.	Particulars	As at 31.03.2016	As at 31.03.2015
1.	Term Loan		
	From Bank		
	Canara Bank	-	2.31
	HDFC Bank Ltd	47.90	64.36
	Total	47.90	66.67

A. Security Particulars of Secured Loans

1. The term loans availed of ₹ 85 Lakhs from HDFC Bank are primarily Secured by Equipment namely Zeiss Ophthalmic Fem to Sound Visumax Surgical Laser System.
2. Loan Obtained from Canara Bank is secured by Vehicle purchased of ₹ 6.80 Lakhs.

Note No. 5 Long Term provisions

Sl. No.	Particulars	As at 31.03.2016	As at 31.03.2015
	Provision for Gratuity	31.18	27.17
	Total	31.18	27.17

Current Liabilities

Note No. 6 Trade Payable

Sl. No.	Particulars	As at 31.03.2016	As at 31.03.2015
A	Sundry Creditors for Services:		
	i) Consumables and Contact Lens	89.88	101.18
	ii) Pharmacy	32.53	37.86
	iii) Optical Lens & Frames	71.51	103.82
	iv) Canteen	2.64	2.84
B	Others	62.94	72.61
	Total	259.50	318.31

- a) The company has initiated the process of obtaining confirmation from suppliers who have registered under the "Micro, Small and Medium Enterprises Act, 2006". Since relevant information is not readily available, no disclosures have been made in the financial statements. Based on the information available with the company and in the considered view of the management and relied upon by the auditors, impact of interest, if that may be payable under the provisions of the act is not expected to be material.

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Note No. 7 Other Current Liabilities

(₹ in Lakhs)

Sl.No	Particulars	As at 31.03.2016	As at 31.03.2015
i)	Current maturities of long term debt.	18.47	16.42
ii)	Accrued salaries and benefits	0.51	32.52
iii)	Advance received from customers	32.21	27.66
iv)	Statutory Dues	26.99	18.56
v)	Creditors for Capital Goods	81.94	161.98
vi)	Other Liabilities	9.77	23.68
	Total	169.89	280.82

- a) Other liabilities includes caution deposit collected from employees who are in service amounting to ₹ 5.95 Lakhs.

Note No. 8 Short Term Provisions

Sl.No	Particulars	As at 31.03.2016	As at 31.03.2015
1	Provision for employee benefits		
	a) Provision for Gratuity	7.97	4.01
2	Other Short term provisions	17.95	6.12
	Total	25.92	10.13

Note No. 9 : FIXED ASSETS (₹ in Lakhs)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01.04.2015	Addition During the Year	Deduction during the year	As at 31.03.2016	As at 01.04.2015	Depreciation During the year	Deduction during the year	As at 31.03.2016	WDV As at 31.03.2015
Tangible Assets									
Buildings	1,176.01	1.31	1.31	1,176.01	339.14	39.63	0.14	378.64	836.86
Computers	109.43	4.94	-	114.37	70.25	20.81	-	91.06	39.18
Electrical Equipments	92.62	1.26	0.98	92.90	65.37	7.39	0.71	72.06	27.25
Furniture & Fixtures	114.66	4.31	1.21	117.76	70.06	13.56	0.92	82.71	44.60
Hospital Equipments	2,752.41	28.27	11.29	2,769.39	1,672.06	223.97	9.91	1,886.12	1,080.35
Land	2,353.08	-	-	2,353.08	-	-	-	-	2,353.08
Office Equipments	209.95	6.16	-	216.11	132.70	23.84	-	156.54	77.25
Plant and Machinery	75.05	8.15	-	83.20	41.64	11.16	-	52.80	33.41
Vehicles	116.48	16.27	8.46	124.28	79.62	13.05	6.56	86.11	36.85
Sub Total (A)	6,999.68	70.67	23.26	7,047.09	2,470.85	353.42	18.23	2,806.04	4,528.83
Intangible Assets									
Software	17.42	30.79	-	48.21	12.04	9.12	-	21.16	5.38
Sub Total (B)	17.42	30.79	-	48.21	12.04	9.12	-	21.16	5.38
Capital Work in Progress									
Building RSP	27.36	12.01	-	39.37	-	-	-	-	27.36
Hospital Equipment	-	2.98	-	2.98	-	-	-	-	2.98
Sub Total (C)	27.36	14.99	-	42.34	-	-	-	-	27.36
Total (A+B+C) Current Year	7,044.46	116.44	23.26	7,137.65	2,482.90	362.53	18.23	2,827.20	4,561.57
Previous Year	6,700.87	428.96	85.35	7,044.47	2,093.15	394.22	4.47	2,482.90	4,561.57

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01.04.2015	Addition During the Year	Deletion/ transfer during the year	As at 31.03.2016	As at 01.04.2015	Depreciation During the year	Depreciation Written back	Total Assets written off as at 31.03.2016	WDV As at 31.03.2015
Improved Leased Asset									
Salem Brindavan	116.86	-	-	116.86	15.52	31.22	-	46.74	101.34
Mettupalayam	40.85	-	-	40.85	20.99	9.55	-	30.54	19.86
Cochin Super Structure	201.65	-	-	201.65	153.02	40.23	-	193.25	48.63
Sub Total (D)	359.36	-	-	359.36	189.53	81.00	-	270.53	169.83
Previous Year	274.07	130.86	1.71	403.22	151.43	81.95	-	233.39	122.64
Grand Total Current Year	7,404.00	116.44	23.26	7,497.01	2,672.43	443.54	18.23	3,097.73	4,731.39
Grand Total Previous Year	6,974.94	559.81	87.06	7,447.70	2,244.58	476.19	4.47	2,716.30	4,730.37

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Note No. 10 Deferred Tax Asset (Net) (₹ in Lakhs)

Sl. No.	Particulars	As at 31.03.2016	As at 31.03.2015
i.	Deferred tax (Liability) / Assets on account of Accumulated Depreciation	3.19	(21.16)
	Add : Deferred tax Asset created during the year	12.13	24.35
	Total	15.32	3.19

a. Deferred tax has been provided in accordance with AS-22 Accounting for Taxes on Income

Note No. 11 Long Term Loans and Advances

Sl. No.	Particulars	As at 31.03.2016	As at 31.03.2015
	Unsecured, Considered Good		
1.	Capital Advances	173.22	189.76
2.	Security Deposit		
	Electricity & Other Deposit	16.15	13.53
	HDFC Bank - Equipment Loan Security Deposit	16.81	-
3.	Other Loans and advances		
	Rent Deposits	138.71	138.39
	Advance Income tax and Refunds	95.12	67.68
	Total	440.01	409.36

Note No. 12 Inventories

Sl. No.	Particulars	As at 31.03.2016	As at 31.03.2015
1	Pharmacy	14.27	24.41
2	Canteen	0.06	0.25
3	Consumables	111.53	86.01
4	Optical Frames	140.21	187.48
5	Contact lens	12.06	10.38
	Total	278.12	308.52

a) The closing stock of Pharmacy, Canteen, Theatre items and Consumables are valued at Lower of cost and net realizable value and stock of Optical and contact lens are valued at Market price. Cost is arrived at first in first out basis except for optical and contact lens.

b) Due to certain practical difficulties relating to this specific industry and items are largely small value, quantitative particulars in respect of operations and inventories have not been furnished as per the requirement of schedule III to the Companies Act, 2013.

Note No. 13 Trade Receivables

Sl. No.	Particulars	As at 31.03.2016	As at 31.03.2015
1	Outstanding for more than six months		
	a) Unsecured, Considered Good	1.02	1.72
2	Other		
	a) Unsecured, Considered Good	49.92	33.59
	Total	50.94	35.31


Note No. 14 Cash & Cash Equivalents
(₹ in Lakhs)

Sl. No.	Particulars	Year ended 31 st March, 2016	Year ended 31 st March, 2015
a)	Cash and cheques on hand	8.24	8.88
b)	Balance with Banks		
	In Current Accounts	(121.97)	(100.03)
	In Deposit Accounts	361.10	142.71
		239.13	42.67
	Total	247.37	51.55
	Current account includes		
i)	Public issue refund account	-	0.26
ii)	Public issue current account	-	0.24

a. Out of Public issue, Refund amounting to ₹ 0.26 Lakhs has been transferred to Investor Education Fund Account.

Note No. 15 Short Term Loans and Advances

Sl. No.	Particulars	As at 31.03.2016	As at 31.03.2015
	Unsecured, Considered Good		
a)	Advance for expenses	1.34	18.78
b)	Loan and Advance to Employees	0.06	0.49
c)	Other Loans and Advances	1.86	3.05
d)	Prepaid expenses	48.59	79.86
	Total	51.85	102.18

Note No. 16 Revenue from Operations

Sl. No.	Particulars	Year ended 31 st March, 2016	Year ended 31 st March, 2015
1	Income From Medical Services	2,009.21	1,909.78
2	Income from Other utilities	49.50	53.57
3	Pharmacy Sales	220.60	256.81
4	Contact Lens & Optical	833.91	769.64
	Total	3,113.22	2,989.80

Note No. 17 Other Income

Sl. No.	Particulars	Year ended 31 st March, 2016	Year ended 31 st March, 2015
1	Interest on FDR's	25.78	9.57
2	Other Receipts	31.58	33.86
	Total	57.36	43.43

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Note No. 18 Cost of Material Consumed

(₹ in Lakhs)

Sl. No.	Particulars	Year ended 31 st March, 2016	Year ended 31 st March, 2015
1	Opening Stock	86.01	156.30
2	Add : Purchase	376.90	344.59
		462.91	500.89
3	Less : Closing Stock	111.53	86.01
	Total	351.38	414.88

Note No. 19 Purchase of Stock in Trade

Sl. No.	Particulars	Year ended 31 st March, 2016	Year ended 31 st March, 2015
1	Pharmacy Purchase	136.35	166.33
2	Purchase of Contact Lens & Optical	317.36	327.34
3	Canteen & Utility Purchase	35.21	34.49
	Total	488.92	528.16

Note No. 20 Service Expenses

Sl. No.	Particulars	Year ended 31 st March, 2016	Year ended 31 st March, 2015
1	Professional charges to Doctors	467.69	509.33
2	Power & Fuel	85.12	81.63
	Total	552.81	590.96

Note No. 21 Changes in Inventories

Sl. No.	Particulars	Year ended 31 st March, 2016	Year ended 31 st March, 2015
1	Opening Stock	222.51	207.42
2	Closing Stock	166.59	222.51
	(Increase) / Decrease in Inventories	55.92	(15.09)

Note No. 22 Employee Benefit Expenses

Sl. No.	Particulars	Year ended 31 st March, 2016	Year ended 31 st March, 2015
1	Salaries & Bonus	522.89	466.83
2	Contribution to Provident and other Funds	48.29	41.45
3	Staff Welfare Expenses	8.84	8.14
4	Directors Remuneration	44.80	36.00
	Total	624.82	552.42


Note No. 23 Financial Cost
(₹ in Lakhs)

Sl. No.	Particulars	Year ended 31 st March, 2016	Year ended 31 st March, 2015
1	Interest on Car loan	0.37	0.80
2	Interest on Term loan	7.96	4.72
	Total	8.33	5.52

Note No. 24 Depreciation & Amortised Cost

Sl. No.	Particulars	Year ended 31 st March, 2016	Year ended 31 st March, 2015
1	Depreciation	362.67	396.53
	Less: Depreciation Withdrawn	0.14	2.30
		362.53	394.23
2	Improved Leased Assets written off	81.01	81.95
	Total	443.54	476.18

Note No. 25 Other Expenses

Sl. No.	Particulars	Year ended 31 st March, 2016	Year ended 31 st March, 2015
1	Hospital Upkeep Expenses	26.66	22.15
2	Advertisement & Publicity	15.09	42.13
3	Auditors Remuneration	3.98	3.35
4	Internal Auditors Remuneration	5.71	6.00
5	Bank Charges	6.80	4.52
6	Board and AGM Meeting Expenses	6.15	6.95
7	Camp Expenses	4.38	16.30
8	Consulting Charges	6.35	-
9	Directors Sitting Fees	1.50	1.81
10	Donation	0.14	0.21
11	Insurance Expenses	10.89	10.98
12	Interest on TDS, ESI & Service Tax	0.46	1.69
13	License & taxes	15.25	11.53
14	Marketing, Conference expenses	9.04	20.59
15	Postage & Telegram	4.07	4.52
16	Printing & Stationery Expenses	16.58	19.72
17	Professional & Recommendation Charges	29.87	27.78
18	Rent	256.86	265.88
19	Sales Tax & Service Tax Paid	6.51	6.26
20	Security Expenses	22.63	21.51
21	Sundry balance written off	3.21	16.92
22	Telephone Expenses	15.96	15.81
23	Travelling Expenses	4.74	4.64
24	Water Charges	11.36	10.74
25	Prior Period Expenses	14.69	23.63
26	Repairs & Maintenance - Building	3.96	16.12
27	Repairs & Maintenance - Equipment & AMC	100.51	68.07
28	Repairs & Maintenance - Electrical	6.13	6.15
29	Repairs & Maintenance - Vehicle	16.13	17.01
30	Repairs & Maintenance - Computer	2.84	2.12
31	Repairs & Maintenance - Others	2.83	1.47
32	Administrative & Other Expenses	16.56	28.66
	Total	647.84	705.21

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Note No.: 26 Exceptional Items

- The Company has sold its Furniture, Equipment, Battery & Vehicle during the Year.
- The Income from Sales is reflected as Exceptional Item in Consolidated Statement of Profit and Loss.

Note No.: 27 Contingent Liabilities and Commitments as on the closing date (₹ in Lakhs)

Sl. No.	Particulars	Year ended 31 st March, 2016	Year ended 31 st March, 2015
1.	Contingent Liabilities		
a)	On account of Pending Litigations Sales Tax Matters (along with Interest & Penalty if any)	7.10	1.89
	Total	7.10	1.89

Auditors Remuneration

Sl. No.	Particulars	Year ended 31 st March, 2016	Year ended 31 st March, 2015
a)	As Auditor		
	For Statutory Audit	2.98	2.53
	Tax Audit Fee	0.57	0.45
	VAT Audit	0.17	0.17
b)	Other Capacity	-	-
	Tax Representation	-	0.20
	Certification Fee	0.23	-
	Reimbursement of Expenses	0.02	-
	Total	3.97	3.35

Prior Period Expenses includes

Sl. No.	Particulars	Year ended 31 st March, 2016	Year ended 31 st March, 2015
1	Personnel Cost	0.12	0.22
2	Professional Charges	1.59	0.43
3	Purchase	14.51	2.01
4	Boarding & Travelling Expenses	-	0.01
5	Selling Expenses	0.39	10.58
6	Service Expenses	0.04	0.04
7	Repairs & Maintenance	19.67	0.49
8	Other Administrative Expenses	1.93	11.37
9	Discount received & Other Income	(23.57)	(1.54)
	Total	14.68	23.61

General Note No.: 28

- Earnings Per Share (EPS) computed in accordance with AS 20 :

	31 st March, 2016	31 st March, 2015
Net Profit / (Loss) after tax	10.08	(198.08)
Number of shares issued	2,07,96,330	2,07,96,330
The Nominal value per equity share (₹)	10	10
Basic/Diluted EPS	0.05	(0.95)

- Figures have been rounded off to the nearest thousands and previous year's figures have been regrouped, reclassified wherever necessary to confirm to current years classification.

3. Related party disclosure :

List of related parties as per Accounting Standard - 18 identified by the management are as under

I) Name of related parties and description of relationship

- a) Key Management Personnel : 1. Dr. S.K.Sundaramoorthy
2. Ms. Sangeetha Sundaramoorthy
- b) Relatives of Key Managerial Personnel : 1. Dr. Kavetha Sundaramoorthy
2. Mr. Rajkumar Sundaramoorthy
- c) Other related parties : 1. Lotus Vision Research Trust
2. Asean Optics Private Limited (from 03/11/2015)

II) Related party transaction in 2015-16

The Company has identified all related parties and details of transactions are given below. No provision for doubtful debts or advances is required to be made and no amounts have been written off or written back during the year in respect of debts due from or to related parties. There are no other related parties where control exists that need to be disclosed. Following transactions were carried out with the related parties.

(₹ in Lakhs)

Nature of transaction	Key Management personnel	Other related parties	Total
Lease rent paid	19.92	9.60	29.52
Lease rent received	-	1.14	1.14
Remuneration	44.80	-	44.80
Others	-	-	-
Cheque received	-	-	-

Remuneration paid to Managing / Whole-time Director during the year 2015-16

Remuneration ₹ 44.80 Lakhs

4. Disclosure regarding lease transactions :

- a) Lease rent paid to Dr. S.K. Sundaramoorthy for leasing medical equipments to the company ₹ 19.92 Lakhs.
- b) Lease rent paid to Lotus Vision Research Trust for leasing medical equipments to the company ₹ 9.60 Lakhs.
- c) Lease rent received from Lotus Vision Research Trust of ₹ 1.14 lakhs

5. No dividend is recommended for the financial year 2015-16.

6. Amount of contribution to employees provident fund during the year is ₹ 31.63 Lakhs (previous year ₹ 25.47 Lakhs)

7. The company has not entered into any derivative transactions during the year under report.

8. Confirmations of balance are yet to be obtained from few parties.

9. Segment Reporting :

Based on the guiding principles given in accounting standard on the Segment Reporting (AS-17) issued by the ICAI, there is only one Reportable segment namely Eye Care and related activities. As the Company's business activity is interrelated, the disclosure requirement of AS-17 in this regard does not arise.

10. During the year there is no impairment of assets as certified by the management.

11. Provision for all known liabilities including depreciation is neither inadequate nor more than what is necessary except compensated leave salary.

12. Expenditure on Foreign exchange During the year is ₹ 48.18 Lakhs.

- i) CIF value of imports
- a) Capital goods
- b) Consumable and spares ₹ 48.18 Lakhs
- ii) Earnings in foreign currency NIL
- iii) Expenditure in foreign currency - Travel & others NIL
- iv) Dividend paid in foreign currency NIL

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

13. Employees Benefits - The Company has provided for employee benefits as per Accounting Standard 15 in respect of defined benefit plan (Gratuity)

Description of the company's defined benefit plan : The Company operates a defined benefit plan for payment of post employment benefits in the form of gratuity. Benefits under the plan are based on pay and years of service and are vested on completion of five years of service as provided in the Payment of Gratuity Act, 1972. The terms of the benefit's are common for all the employees of the Company.

Defined benefit plan:

(in ₹)

A. Change in the present value of obligation – Reconciliation of opening and closing balances:

	31 st March, 2016	31 st March, 2015
Present value of the obligation as at the beginning of the period	31,18,491	27,17,036
Interest cost	2,43,242	2,41,816
Current service cost	6,34,160	7,85,661
Past service cost – (non vested benefits)	-	-
Past service cost – (vested benefits)	-	-
Benefits paid	-	-
Actuarial loss / (gain) on obligation (balancing figure)	(80,509)	(6,26,025)
PVO as at the end of the period	39,15,384	31,18,491

B. Change in the fair value of plan assets – Reconciliation of opening and closing balances:

Fair value of plan assets as at the beginning of the period	-	-
Expected return on plan assets	-	-
Contributions	-	-
Benefits paid	-	-
Actuarial gain / (loss) on plan assets (balancing figure)	-	-
Fair value of plan assets as at the end of the period	-	-

C. Actual return on plan assets

Expected return on plan assets	-	-
Actuarial gain / (loss) on plan assets	-	-
Actual return on plan assets	-	-

D. Actuarial gain / loss recognized

Actuarial gain / (loss) for the period – Obligation	80,509	6,26,025
Actuarial gain / (loss) for the period – Plan Assets	-	-
Total (gain) / loss for the period	(80,509)	(6,26,025)
Actuarial (gain) / loss recognized in the period	(80,509)	(6,26,025)
Unrecognized actuarial (gain) / loss at the end of the year	-	-

E. Amounts recognized in the Balance Sheet and related analysis

Present value of the obligation	39,15,384	31,18,491
Fair value of plan assets	-	-
Difference	39,15,384	31,18,491
Unrecognized transitional liability	-	-
Unrecognized past service cost – non vested benefits	-	-
Liability recognized in the balance sheet	39,15,384	31,18,491



F. Expenses recognized in the statement of Profit and Loss:		
Current service cost	6,34,160	7,85,661
Interest cost	2,43,242	2,41,816
Expected return on plan assets	-	-
Net actuarial (gain) / loss recognized in the year	(80,509)	(6,26,025)
Transitional liability recognized in the year	-	-
Past service cost – non vested benefits	-	-
Past service cost – vested benefits	-	-
Expenses recognized in the statement of profit and loss	7,96,893	4,01,452
G. Movements in the liability recognized in the balance sheet		
Opening net liability	31,18,491	27,17,039
Expenses as above	7,96,893	4,01,452
Contribution paid	-	-
Closing net liability	39,15,384	31,18,491
H. Amount for the current period		
Present value of obligation	39,15,384	31,18,491
Plan assets	-	-
Surplus / (Deficit)	(39,15,384)	(31,18,491)
Experience adjustments on plan liabilities – (loss) / gain	1,13,692	23,858
I. Principal Actuarial assumptions (Expressed as weighted averages)		
Discount rate	0.00%	0.00%
Salary escalation rate	0.00%	0.00%
Attrition rate	0.00%	0.00%
Expected rate of return on plan assets	0.00%	0.00%
J. Major categories of plan assets as percentage of total plan assets		
Government of India Securities	0.00%	0.00%
State Government Securities	0.00%	0.00%
High Quality Corporate Bonds	0.00%	0.00%
Equity Shares of listed Companies	0.00%	0.00%
Property	0.00%	0.00%
Insurer managed	0.00%	0.00%
Mutual Funds	0.00%	0.00%
Bank Deposits	0.00%	0.00%
Total	0.00%	0.00%

Note: 01. The salary escalation considered in actuarial valuation takes on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

As per our Report of even date attached	For and on behalf of the Board of Directors	
For V E K A M AND ASSOCIATES Chartered Accountants Firm Registration No: 05256S	(Sd.) Dr. S.K. Sundaramoorthy Chairman cum Managing Director	(Sd.) CA R. Subramanian Director
(Sd.) CA M.P. Panneerselvan Partner Membership No. 026129	(Sd.) CA M. Alagiriswamy Director	(Sd.) CA M. Venkatachalapathi Chief Financial Officer
Place : Coimbatore Date : 30 th May, 2016	(Sd.) CS Aditya Sharma Company Secretary	



LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

CIN : L85110TZ1997PLC007783

Regd. Office : SF No. 770/12, Avinashi Road, Civil Aerodrome Post, Coimbatore – 641 014

Email : lotussecdept@gmail.com, Website: www.lotuseye.org

Phone: 0422 4229900 Fax: 0422 4229933

ATTENDANCE SLIP

19th ANNUAL GENERAL MEETING

DP ID		Folio No.	
Client ID		No. of Shares	
Name of Member			
Name of Proxy			

I hereby record my presence at the 19th ANNUAL GENERAL MEETING of the Company held on Wednesday, the 31st August, 2016 at 10.00 AM at the Registered Office of the Company at S.F.No.770/12, Avinashi Road, Civil Aerodrome Post, Coimbatore – 641 014.

Member's / Proxy's Signature

Note :

1. Please complete the Folio / DP ID – Client ID No. and name, sign this Attendance Slip and handover at the Attendance Verification Counter at THE MEETING HALL.
2. Electronic copy of the Annual Report for FY 2015-16 and the Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report for 2015-16 and the Notice of the Annual General Meeting along with the Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email is not registered or who have requested for a hard copy.

E-VOTING PARTICULARS

EVSN (Electronic Voting Sequence Number)	USER ID	PASSWORD*
	Folio No / Client ID	PAN Number/Bank Account No/ Date of Birth

Physical Shareholders who does not have PAN should enter No. of Shares they hold as their password if they prefer to exercise e-voting.

The e-voting facility will be available during the following voting period:

Commencement of e-voting	End of e-voting
Sunday, 28 th August, 2016 (From 10.00 AM)	Tuesday, 30 th August, 2016 (5.00 PM)

Note: Please refer the details and instructions form integral part of the Notice for the Annual General Meeting.



LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

CIN : L851101997PLC007783

Registered & Corporate Office: 770/12, Avinashi Road, Civil Aerodrome Post, Coimbatore- 641 014

E-Mail: companysecretary@lotuseye.org Web Site: www.lotuseye.org

Ph. No.: 0422 - 4229900 Fax: 0422 - 4229933

FORM No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s) :

Registered Address :

Email ID : Folio No. / Client ID : DP ID

I/We, being the member(s) holding shares of the above named Company, hereby appoint

1. Name : Address :

..... Email ID : Signature: or failing him

2. Name : Address :

..... Email ID : Signature: or failing him

3. Name : Address :

..... Email ID : Signature: or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 19th Annual General Meeting of the Company, to be held on Wednesday, the 31st August, 2016 at 10.00 AM at the Registered Office: 770/12, Avinashi Road, Civil Aerodrome Post, Coimbatore - 641 014 and at any adjournment thereof in respect of such resolutions as are indicated below:

S.No.	Resolutions	For	Against
	Ordinary Business		
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31 st March, 2016, including the Balance Sheet as at 31 st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the financial year ended on that date and the Reports of the Board of Directors and the Auditors thereon		
2.	To appoint a director in place of Ms. Sangeetha Sundaramoorthy (DIN: 01859252) who retires by rotation and being eligible, offers herself for re-appointment.		
3.	Re-appointment of M/s. V E K A M & Associates, Chartered Accountants, the Statutory Auditors of the Company.		
	Special Business		
4.	Appointment of Dr. Kavetha Sundaramoorthy (DIN: 02050806) as a Director of the Company.		
5.	Charging of fee for serving of documents via particular mode as specified by the Member(s)		

Signed this day of 2016.

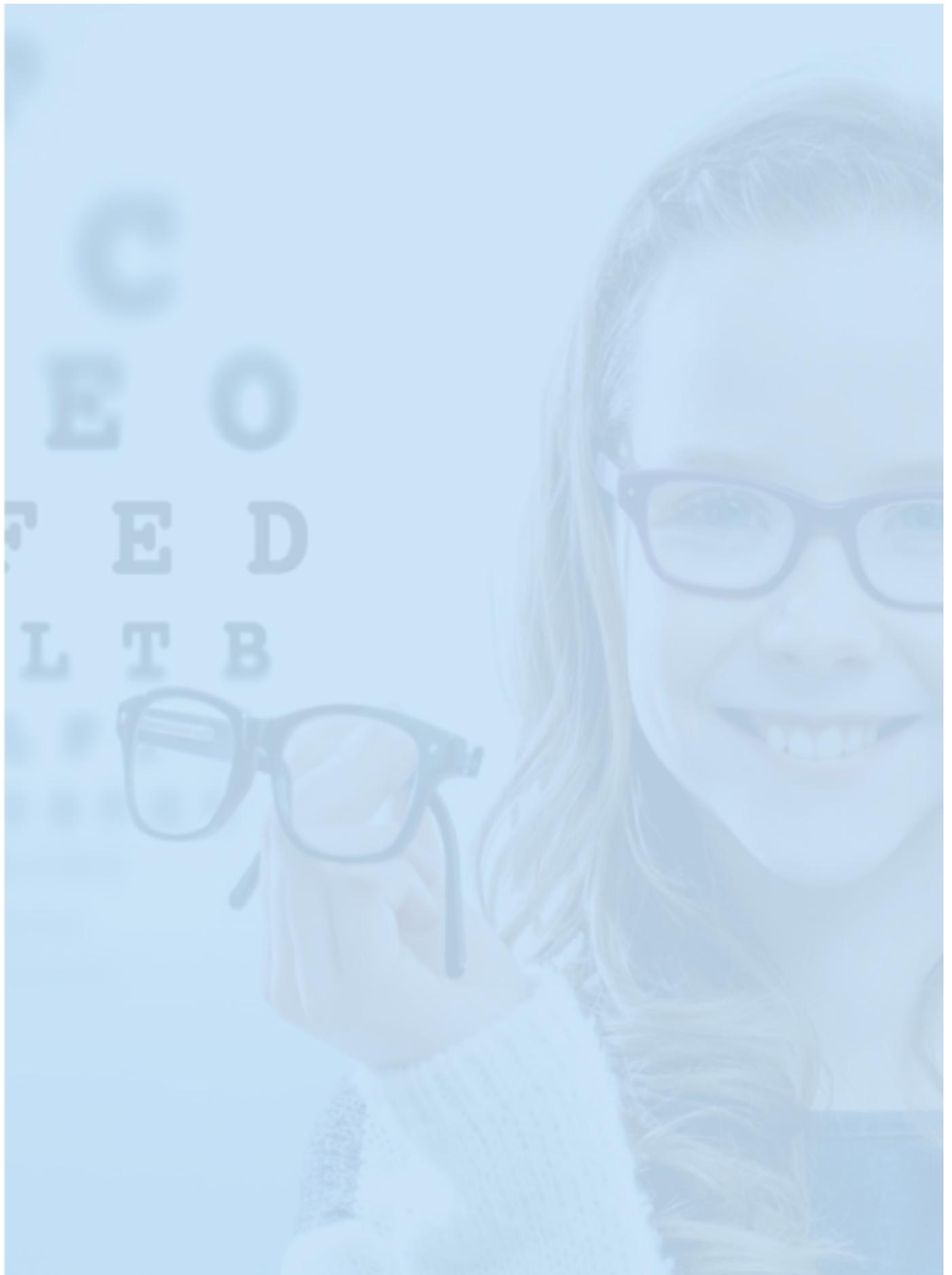
Signature of shareholder:

Signature of Proxy holder(s):

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the resolution, explanatory statements and Notes, please refer to the notice of 19th Annual General Meeting.
3. If you wish to vote for a Resolution, place a tick in the corresponding box under the column marked "For". If you wish to vote against a Resolution, place a tick in the corresponding box under the column marked "Against". If no direction is given, your Proxy may vote or abstain as he/she thinks fit.

Affix
Revenue
Stamp not
less than
Rs. 1





Hospital Branches



R.S.Puram



Tirupur



Salem



Cochin



Mettupalayam



Mulanthuruthy



LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

(Formerly Lotus Eye Care Hospital Limited)

CIN: L85110TZ1997PLC007783

S.F. No. 770/12, Avinashi Road, Civil Aerodrome Post, Coimbatore-641 014

Phone: 0422-4229900