



# LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

(Formerly Lotus Eye Care Hospital Limited)

**20<sup>th</sup>**

**ANNUAL REPORT  
2016 - 17**





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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
	-	Dr. S.S. Badrinath
	-	Mr. D. R. Kaarthikeyan
	-	Dr. Yogesh Shah
	-	Mr. G.R. Karthikeyan
	-	CA R. Subramanian
	-	CA M. Alagiriswamy
	-	Mr. P.R. Rangaswami
		(Alternate Director to Dr. Kavetha Sundaramoorthy)
		With effect from 27/05/2017
Chief Financial Officer	-	CA S. Saravana Ganesh
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	-	P. Eswaramoorthy & Company
		Company Secretaries
		Ramanathapuram, Coimbatore - 641 045
Bankers	-	HDFC Bank Ltd
		Axis Bank Ltd
		The Federal Bank Ltd
		State Bank of India
		Indusind Bank Ltd
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
		Kanapathy Towers
		3 <sup>rd</sup> Floor, 1391/A-1, Sathy Road
		Ganapathy Post, Coimbatore - 641 006
Audit Committee	-	CA R. Subramanian, Chairman
		Mr. D.R. Kaarthikeyan
		Ms. Sangeetha Sundaramoorthy
		Mr. G.R. Karthikeyan
		CA M. Alagiriswamy
Nomination & Remuneration Committee	-	Mr. D.R. Kaarthikeyan, Chairman
		Dr. S.K. Sundaramoorthy
		Dr. Yogesh Shah
		Mr. G.R. Karthikeyan
Stakeholders' Relationship Committee	-	CA R. Subramanian, Chairman
		Mr. D.R. Kaarthikeyan
		Dr. S.K. Sundaramoorthy
		CA M. Alagiriswamy

# LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

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## NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 20<sup>th</sup> Annual General Meeting of LOTUS EYE HOSPITAL AND INSTITUTE LIMITED will be held on Thursday, 10<sup>th</sup> day of August, 2017 at 2.00 P.M. at Kasthuri Sreenivasan Trust Culture Centre, Avinashi Road, 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 31<sup>st</sup> March, 2017, including the Balance Sheet as at 31<sup>st</sup> March, 2017, 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 Dr. Kavetha Sundaramoorthy (holding DIN: 02050806), who retires by rotation and being eligible, offers herself for re-appointment.
3. To declare dividend on Equity Shares.
4. Appointment of Messers Anbarasu & Jalapathi, Chartered Accountants as Statutory Auditors.

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), consent of the members be and is hereby accorded for the appointment of Messers Anbarasu & Jalapathi, Chartered Accountants, having Registration No. 010795S allotted by The Institute of Chartered Accountants of India (ICAI) in place of V E K A M & Associates, Chartered Accountants, the retiring auditors of the Company who have completed their tenure, who shall hold office from the conclusion of this 20<sup>th</sup> Annual General Meeting for a term of consecutive five years till conclusion of the 25<sup>th</sup> Annual General Meeting (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting) and that the Board be and is hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors, in addition to reimbursement of all out-of-pocket expenses as may be incurred in connection with the audit of the accounts of the Company for the Financial year 2017-18.”

### SPECIAL BUSINESS:

5. Re-appointment of Dr. S.K.Sundaramoorthy (DIN: 01582117) as Managing Director of the Company.

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution:**

**“RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013, consent of the members of the Company be and is hereby accorded to the re-appointment of Dr. S. K. Sundaramoorthy (DIN: 01582117), as the Managing Director of the Company for a period of five years with effect from 1<sup>st</sup> Day of April, 2017, as well as for the payment of salary, commission and perquisites (hereinafter referred to as “remuneration”), fixed for three years w.e.f. 1<sup>st</sup> Day of April, 2017 upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Dr. S.K.Sundaramoorthy

**RESOLVED FURTHER THAT** the remuneration payable to Dr. S. K. Sundaramoorthy, shall not exceed, at anytime, the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 read with Schedule V or such other limits as may be prescribed from time to time.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to file necessary forms with Registrar of Companies and to do all such acts, deeds and things and execute all such documents, instruments and writings, intimation as may be considered or delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.”

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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 : 27<sup>th</sup> May, 2017

(Sd/-) Aditya Sharma  
Company Secretary

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**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 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. Members/ proxies/ authorized representatives should bring the duly filled attendance slip enclose herewith to attend the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 4<sup>th</sup> August, 2017 to 10<sup>th</sup> August, 2017 (both days inclusive) for the purpose of payment of final dividend for the financial year ended 31.03.2017 and Annual General Meeting.
5. The Final Dividend for the financial year ended 31<sup>st</sup> March, 2017, as recommended by the Board, if approved at the Annual General Meeting, will be paid on or after Tuesday, 15<sup>th</sup> August, 2017 to those Members whose name appears in the Register of Members of the Company as on the book closure dates.
6. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the Members. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants.
7. 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.
8. Members, holding shares in Physical form 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, 3<sup>rd</sup> 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.
9. 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.
10. 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.
11. In terms of Section 72 of the Companies Act, 2013, nomination facility is available to individual shareholders holding shares in the physical form. The shareholders who are desirous of availing this facility, may

## LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

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kindly write to Company's R & T Agent for nomination forms, which are available on the Company's website ([www.lotuseye.org](http://www.lotuseye.org)) under the Section of "Investors".

12. 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.
13. Electronic copy of the Notice of the 20<sup>th</sup> 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 20<sup>th</sup> 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.
14. Members may also note that the Notice of the 20<sup>th</sup> Annual General Meeting and the Annual Report for the financial year 2016-17 will also be available on the Company's website [www.lotuseye.org](http://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](mailto:companysecretary@lotuseye.org)
15. 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 Participants. Members holding shares in physical form can submit their PAN to the Company/RTA.
16. 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 (i.e. 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.
17. **Voting through electronic means:**
  - I. Pursuant to Regulation 44 of the SEBI (LODR) Regulations, 2015 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 20<sup>th</sup> 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. P. Eswaramoorthy and Company, Company Secretaries, Coimbatore has been appointed as the Scrutinizer to scrutinize the e-voting process / voting through polling paper in a fair and transparent manner.



**V. The instructions for shareholders voting electronically are as under:**

- i) The voting period begins on 7<sup>th</sup> August, 2017 at 10.00 A.M. and ends on 9<sup>th</sup> August, 2017 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 3<sup>rd</sup> August, 2017 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 <http://www.evotingindia.com>
- 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](http://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"> <li>• 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.</li> <li>• 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.</li> </ul>
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"> <li>• Enter the Dividend bank details as recorded in your demat Bank account or the company records for the said folio.</li> </ul> <p>If the details are not recorded with the depository or Company, please enter the number of shares held by you in the bank account column.</p>

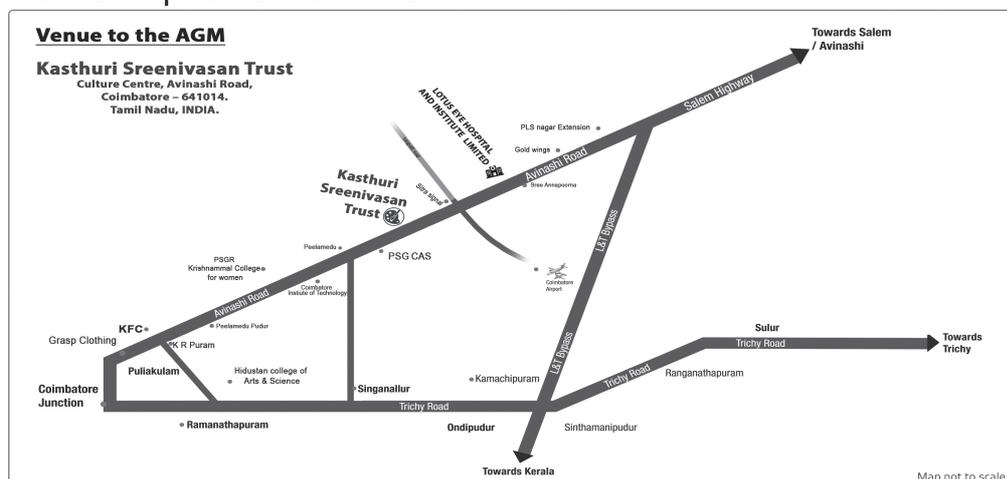
## LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

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- 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.
- If Demat account holder has forgotten the changed password then enter the user ID and the image verification code and click on forgot password and enter the details as prompted by the system.
- xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice. Click on the EVSN for the relevant Lotus Eye Hospital and Institute Limited on which you choose to vote.
- xii) 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.
- xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv) 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.
- xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvii) 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. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xviii) 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](http://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](mailto: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](mailto: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.

- xix) 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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 3<sup>rd</sup> August, 2017. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
- 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](mailto:helpdesk.evoting@cdslindia.com) or [info@skdc-consultants.com](mailto: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](http://www.lotuseye.org) immediately after the result is declared by the Chairman and shall be simultaneously communicated to NSE, BSE, NSDL & CDSL.
18. Kindly bring your copy of the Annual Report at the Meeting.
19. A route map and prominent landmark for easy location of the venue of AGM.

### Route Map to venue of AGM



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

Place : Coimbatore  
 Date : 27<sup>th</sup> May, 2017

**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. 5

Section 196(3) of the Companies Act, 2013, inter alia, provides that no company shall continue the employment of a person who has attained the age of 70 years, as Managing Director, Whole time director or Manager unless it is approved by the members by passing a special resolution. Part I of Schedule V to the Act contains a similar relaxation. Dr. S.K.Sundaramoorthy, who was appointed as Managing Director by the members to hold office upto 31<sup>st</sup> March, 2017 has attained the age of 70 years on August 21, 2014 and hence his re-appointment as Managing Director requires the approval of members by way of a special resolution.

On recommendation of Nomination and Remuneration Committee, the Board at its meeting held on 31<sup>st</sup> January, 2017 approved the re-appointment of Dr. S. K. Sundaramoorthy, as Managing Director of the Company for a further period of five years with effect from 1<sup>st</sup> April, 2017, and fix the remuneration for the period of three years with effect from 1<sup>st</sup> April, 2017, subject to the approval of shareholders at the ensuing Annual General Meeting.

Dr. S. K. Sundaramoorthy, M.S., FRCS (Edin.,UK), DORCS (Eng) is a world's renowned ophthalmic surgeon, philanthropist, orator, administrator and a dedicated teacher. Considering his knowledge and experience of around four decades and his service to the health care industry, the Tamil Nadu Dr. M.G.R. Medical University, has awarded him the 'LIFETIME ACHIEVEMENT AWARD' for his dedication of service to the public. He has rich and varied experience in the same industry and has been involved in the operations of the Company over a long period of time and so it would be in the interest of the Company to continue his employment as the Managing Director.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The details of remuneration payable to Dr. S. K. Sundaramoorthy and the terms and conditions of the re-appointment are given below:

#### REMUNERATION

**I Salary:** Rs. 700,000/ P.M

**II Commission:** Nil

**III Perquisites:**

#### Category 'A'

1. **Housing:** Unfurnished accommodation will be provided by the Company
2. **Other perquisites :** The following perquisites shall be allowed subject to a maximum of 10% of salary:
  - a. Leave ( as per rules of the Company);
  - b. Leave Travel concession for self and his family;
  - c. Reimbursement of medical expenses incurred for self and his family;
  - d. Reimbursement of expenditure incurred on gas, electricity, water, Furnishings and appliances;
  - e. Reimbursement of club fee
  - f. Expenses for self accident insurance cover for self.

In any year, if the perquisites specified in Part III, Sub-Clause (2) above, are not availed in full, the unutilized portion of the limit shall be either carried over till the end of the term or encashed at the end of every year.

#### Category "B"

- a) contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961 (43 of 1961);
- b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- c) encashment of leave at the end of the tenure.

#### Category "C"

Provision of Car with driver and telephone facility at his residence.

All other existing terms and conditions for the re-appointment shall remain unchanged.

The Board therefore recommends the resolution for your approval.

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

#### MEMORANDUM OF INTEREST

Dr. Kavetha Sundaramoorthy and Ms. Sangeetha Sundaramoorthy being related to Dr. S.K. Sundaramoorthy are deemed to be concerned and interested in the resolution at Item No.5.

Except the above-mentioned Promoters/Directors, none of the Directors, Promoters or Key managerial personnel of the Company or their relatives are in any way, concerned or interested in the 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 : 27<sup>th</sup> May, 2017

(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	<b>Name of Directors</b>	Dr. S.K. Sundaramoorthy	Dr. Kavetha Sundaramoorthy
II	<b>DIN</b>	01582117	02050806
III	<b>Date of Birth</b>	21.08.1944	30.01.1976
IV	<b>Qualification &amp; Brief resume &amp; nature of his/her expertise in specific functional areas</b>	Dr. S.K. Sundaramoorthy serves as Managing Director of Lotus Eye Hospital and Institute Limited. Dr. Sundaramoorthy is M.S., FRCS (Edin.,UK), DORCS (Eng) is a world renowned ophthalmic surgeon, philanthropist, orator, administrator and a dedicated teacher, having experience of around four decades in health care industry.	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. She specialised in Psychiatrist with American Board Psychiatrist and American Board Adolescence Psychiatrist. She is also fellow of Harvard University and has been in practice for the past 11-12 years.
V	<b>Disclosure of relationships between directors inter-se</b>	1. Ms.Sangeetha Sundaramoorthy (Daughter)	1. Dr. S.K.Sundaramoorthy (Father)
		2. Dr. Kavetha Sundaramoorthy (Daughter)	2.Ms. Sangeetha Sundaramoorthy (Sister)
VI	<b>Names of listed entities (Other than Lotus) in which the person also holds the directorship and the membership of Committees of the board :</b>		
	<b>1. Directorship</b>	Nil	Nil
	<b>2. Chairperson of Board Committees</b>	Nil	Nil
	<b>3. Member of Board Committees</b>	Nil	Nil
VII	<b>Shareholding (No. of Shares, Percentage)</b>	1,05,99,920 (50.97%)	2,23,050 (1.073%)

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

Place : Coimbatore  
Date : 27<sup>th</sup> May, 2017

**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 20<sup>th</sup> Annual Report of your Company together with the Audited Accounts for the year ended 31<sup>st</sup> March 2017.

### FINANCIAL RESULTS

( ₹ in Lakhs )

Particulars	31.03.2017 (Current year)	31.03.2016 (Previous year)
Income from Operations and other income	3467.84	3,170.58
Less : Expenses	3427.67	3,172.63
Profit / (Loss) before Tax	40.17	(2.05)
Less : Provision for Taxes :		
Current Tax	7.67	-
MAT Credit Entitlement	(7.67)	-
Previous Year Tax	1.73	1.73
Deferred Tax	(4.30)	(12.13)
Profit / (Loss) after tax	42.74	10.08

### REVIEW OF OPERATIONS AND PERFORMANCE:

Your company has reported a growth of 9.10 % on turnover of Rs. 3396.47 Lakhs during the financial year 2016-17 compared to the turnover of Rs. 3113.22 Lakhs in the previous financial year 2015-16. Your Company has reported a growth of 324.11 % on net profit of Rs. 42.74 Lakhs during the financial year 2016-17 against a net profit of Rs. 10.08 Lakhs during the previous financial year 2015-16.

### DIVIDEND:

The Board of Directors are pleased to recommend a dividend of 5% (Re. 0.50 per share) for the financial year ended 31<sup>st</sup> March, 2017 on the paid up equity share capital, subject to approval of the members at the ensuing Annual General Meeting. The dividend, if approved, will result in a payout of Rs. 103.98 Lakhs and shall be subject to Dividend Distribution Tax to be paid by your Company.

### SHARE CAPITAL:

The Paid up equity share capital as on 31<sup>st</sup> March, 2017 is 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 31<sup>st</sup> March, 2017 is Rs. 498.47 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.

### RESERVES:

Reserves and Surplus of the Company increased by 1.49 % from Rs. 2868.86 Lakhs as on 31<sup>st</sup> March, 2016 to Rs. 2911.60 Lakhs as on 31<sup>st</sup> March, 2017.

### 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 thereunder.

### 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.



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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 is planning to establish its own building in Tirupur, the process to identify a suitable land has been already initiated.

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 also plans to establish couple of more centers in Tamilnadu and Kerala.

**CORPORATE SOCIAL RESPONSIBILITIES:**

Your company does not falls within the bracket as prescribed by Section 135 of the Companies Act, 2013 and rules framed thereunder. Hence this clause is not applicable.

**DIRECTORS:**

**Appointment / Re-appointment:**

Dr. S.K. Sundaramoorthy has been re-appointed by the Board of the Company at their meeting held on 31<sup>st</sup> January, 2017 for another term of five years with effect from 1<sup>st</sup> April, 2017, subject to approval of the members at the ensuing Annual General Meeting.

**Directors retiring by rotation:**

Dr. Kavetha Sundaramoorthy (DIN: 02050806), Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible, offers 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 20<sup>th</sup> 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 Obligations and Disclosure Requirements) Regulations, 2015.

**Familiarisation Programme:**

Your Company has adopted policy on Familiarization programme of Independent Directors. During the year under review one programme was conducted by the company details of such programme for familiarisation of the Independent Directors are put on the website of the Company at the following web-link : <https://www.lotuseye.org/investors>.

**Statutory Disclosure:**

None of the Directors of the Company are disqualified as per the applicable provisions of the Act.

**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 evaluation of the working of its Committees.

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.

# LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

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## **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-VI" and are also available on the Company's website at the following link: <https://www.lotuseye.org/investors>.

## **MEETINGS:**

During the year, four Board Meetings, four Audit Committee Meetings, three Nomination and Remuneration Committee Meetings and one Stakeholders' Relationship Committee were convened and held. The details of these meetings are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and Secretarial Standard.

## **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 the 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 reviews from time to time the adequacy and effectiveness of the Company's internal financial controls. This year was no exception. The reviews conducted during the year did not reveal any material deficiencies in the internal financial control structure.



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

There is 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 for Board of Directors and Senior Executives" which forms an Appendix to the Code. The Code has also been posted on the Company's website at the following link: <https://www.lotuseye.org/investors>

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 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: <https://www.lotuseye.org/investors>

**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

## LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

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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 in the website of your Company at the following link : <https://www.lotuseye.org/investors>

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. VEKAM & Associates, Chartered Accountants, whose tenure as prescribed under the Companies Act, 2013 (hereinafter "the Act") shall be over at the ensuing Annual General Meeting of the company. It is proposed to appoint M/s. Anbarasu & Jalapathi, Chartered Accountants having registration no. 010795S at the ensuing Annual General Meeting, who shall hold office till the conclusion of 25<sup>th</sup> Annual General Meeting, subject to ratification at every Annual General Meeting.

### INTERNAL AUDITORS:

M/s. Anbarasu & Jalapathi, Chartered Accountants was appointed as the Internal Auditors of the Company for the financial year 2016-17 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 P. Eswaramoorhy and Company (CP No. 7069), Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2016-17.

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 its observation in Secretarial Audit Report (MR-3) 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 REPORT:

Management Discussion & Analysis Report, which form an integral part of this Report, is set out as separate annexure as "**Annexure -IV**".

The Corporate Governance Report 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 which form an integral part of this report is set out as separate annexure as "**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	74.94

#### ACKNOWLEDGEMENT:

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 level and all other stakeholders for their continuous cooperation and assistance.

For and on behalf of the Board

Place : Coimbatore

Date : 27<sup>th</sup> May, 2017

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

## LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

### Annexure - I to Board's 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 director<sup>1</sup> to the median remuneration of the employees of the Company for the financial year 2016-17 :**

Sl. No.	Name	Designation	Ratio
1.	Dr. S.K. Sundaramoorthy	Chairman cum Managing Director	31.82:1
2.	Ms. Sangeetha Sundaramoorthy	Whole-time Director	3.64:1

- ii) **Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary and Manager in the financial year 2016-17 :**

Sl. No.	Name	Designation	% increase in remuneration
1.	Dr. S.K. Sundaramoorthy	Chairman cum Managing Director	Nil
2.	Ms. Sangeetha Sundaramoorthy	Whole-time Director	Nil
3.	CA M.Venkatachalapathi <sup>2</sup>	Chief Financial Officer	Nil
4.	CA S. Saravana Ganesh <sup>3</sup>	Chief Financial Officer	Nil
5.	CS Aditya Sharma <sup>4</sup>	Company Secretary	Nil

- iii) **The percentage increase in the median remuneration of employees in the financial year 2016-17:**

10% increase on salaries in 2016-17 over 2015-16 based on the median remuneration

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

There were 357 numbers of permanent employees on the rolls of the Company as on 31.03.2017. (Previous year : 335)

- v) **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 10% while there is no increment reported in managerial remuneration.

- vi) **Affirmation that the remuneration is as per the remuneration policy of the Company:**

It is hereby confirmed that the remuneration paid during the year 2016-17 is as per the Nomination & Remuneration Policy of the Company.



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**Notes :**

1. Other directors' except Kavetha Sundaramoorthy entitled to receive sitting fees only.
2. CA M. Venkatachalapathi, Chief Financial Officer (CFO) has resigned w.e.f. 17<sup>th</sup> January, 2017.
3. CA S. Saravana Ganesh has been appointed as Chief Financial Officer (CFO) w.e.f. 31<sup>st</sup> January, 2017.
4. CS Aditya Sharma has been appointed as Company Secretary w.e.f. 30<sup>th</sup> May, 2016.

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

No employee is drawing salary more than prescribed amount as per above provision(s).

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**For and on behalf of the Board**

Place : Coimbatore  
Date : 27<sup>th</sup> May, 2017

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

# LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

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Annexure - II to Board's Report

## SECRETARIAL AUDIT REPORT

Form No. MR-3

For the Financial Year Ended on 31<sup>st</sup> March, 2017

(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 the Company's 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 31<sup>st</sup> March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper 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 31<sup>st</sup> March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder and the applicable provisions of the Companies Act, 1956;
- (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 (Share Based Employee Benefits) Regulations, 2014 [Not applicable as the Company does not have any Scheme for share based employee benefits during the financial year under review]

- 
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities ) Regulations, 2008 [Not applicable as the Company has not issued and listed any debt securities during the financial year under review]
  - 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 [Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review]
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [Not applicable as the equity shares of the Company have not been delisted during the financial year under review]
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 [Not applicable as the Company has not bought back / proposed to buy back any of its securities during the financial year under review]
  - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I have relied on the representation made by the Company and its officers, relating to systems and mechanisms framed by the Company, for ensuring compliance with the other Acts, Laws and Regulations, as applicable 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 BSE Limited and National Stock Exchange of India Limited.

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

#### **I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance 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 of the matters, discussed at the Board Meetings during the financial year under review, 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, I am of the opinion that there are systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

## LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

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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) *Full name of the Company has to be properly displayed wherever Name of the Company appears as per the provisions of the Companies Act,2013.*

**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) Acceptance/renewal of Deposits.
- (iv) Major decisions taken by the members in pursuance of Section 180 of the CompaniesAct,2013.
- (v) 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.

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**P. ESWARAMOORTHY AND COMPANY**  
Company Secretaries

Place : Coimbatore  
Date : 27<sup>th</sup> May, 2017

CS P. Eswaramoorthy  
Proprietor  
FCS No. : 6510  
CP No. : 7069



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## ANNEXURE 'A' TO SECRETARIAL AUDIT REPORT OF EVEN DATE

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.

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**P. ESWARAMOORTHY AND COMPANY**  
Company Secretaries

CS P. Eswaramoorthy  
Proprietor  
FCS No. : 6510  
CP No. : 7069

Place : Coimbatore  
Date : 27<sup>th</sup> May, 2017

# LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Annexure - III to Board's Report

Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31<sup>st</sup> March, 2017

[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)	<b>CIN</b>	L85110TZ1997PLC007783
ii)	<b>Registration Date</b>	14/03/1997
iii)	<b>Name of the Company</b>	LOTUS EYE HOSPITAL AND INSTITUTE LIMITED
iv)	<b>Category / Sub-Category of the Company</b>	Company Limited by Shares
v)	<b>Address of the registered office and contact details</b>	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)	<b>Whether listed company</b>	Yes
vii)	<b>Name, Address and Contact details of Registrar and Transfer Agent</b>	S.K.D.C. Consultants Limited Kanapathy Towers, 3 <sup>rd</sup> Floor, 1391/A-1, Sathy Road, Ganapathy Post, Coimbatore – 641 006. Phone : 0422-6549995, 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				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A (1) Promoters</b>									
a) Individual/HUF	11046020	200	11046220	53.116	11046020	200	11046220	53.116	0.00
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Bank / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Others	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (A) (1):-</b>	<b>11046020</b>	<b>200</b>	<b>11046220</b>	<b>53.116</b>	<b>11046020</b>	<b>200</b>	<b>11046220</b>	<b>53.116</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other ...	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (A) (2):-</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Total Shareholdings of Promoter (A) = (A) (1) + (A) (2)</b>	<b>11046020</b>	<b>200</b>	<b>11046220</b>	<b>53.116</b>	<b>11046020</b>	<b>200</b>	<b>11046220</b>	<b>53.116</b>	<b>0.00</b>
<b>B. 1. Public Shareholding</b>									
a) Mutual Funds / Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt.(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Venture Capital funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) FIIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (B)(1):</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	862361	Nil	862361	4.147	1734680	Nil	1734680	8.341	4.194
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 Lakhs	4531755	207	4531962	21.792	3688925	4127	3693052	17.759	(4.033)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakhs	3780094	Nil	3780094	18.177	3504890	Nil	3504890	16.853	-1.324
c) Others									
Non Resident Indians	133966	Nil	133966	0.644	82898	Nil	82898	0.399	-0.245
Clearing Members	143547	Nil	143547	0.690	388278	Nil	388278	1.867	1.177
Hindu Undivided Family	298180	Nil	298180	1.434	346312	Nil	346312	1.665	0.231
<b>Sub-total (B)(2):</b>	<b>9749903</b>	<b>207</b>	<b>9750110</b>	<b>46.884</b>	<b>9745983</b>	<b>4127</b>	<b>9750110</b>	<b>46.884</b>	<b>0.000</b>
<b>Total Public Shareholdings (B)=(B) (1)+(B) (2)</b>	<b>9749903</b>	<b>207</b>	<b>9750110</b>	<b>46.884</b>	<b>9745983</b>	<b>4127</b>	<b>9750110</b>	<b>46.884</b>	<b>0.000</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Grand Total (A+B+C)</b>	<b>20795923</b>	<b>407</b>	<b>20796330</b>	<b>100.000</b>	<b>20792003</b>	<b>4327</b>	<b>20796330</b>	<b>100.000</b>	<b>0.00</b>

## LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

### ii) Shareholding of Promoters

Share Holder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change during 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	
1 Kaliannagounder Sundaramoorthy	10599920	50.970	Nil	10599920	50.970	Nil	Nil
2 Kavetha Sundaramoorthy	223050	1.073	Nil	223050	1.073	Nil	Nil
3 Sangeetha Sundaramoorthy	223050	1.073	Nil	223050	1.073	Nil	Nil
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
<b>At the beginning of the year</b>	<b>11046220</b>	<b>53.116</b>		
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)	Nil	Nil	Nil	Nil
<b>At the End of the year</b>			<b>11046220</b>	<b>53.116</b>

### 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
<b>1 A.K.S. SARAVANAN</b>				
<b>At the beginning of the year</b>	<b>1019016</b>	<b>4.89</b>		
13.05.2016 Sell	1288	0.01	1017728	4.89
09.12.2016 Sell	56630	0.27	961098	4.62
16.12.2016 Sell	3023	0.01	958075	4.61
23.12.2016 Sell	3899	0.02	954176	4.59
06.01.2017 Sell	17653	0.08	936523	4.50
13.01.2017 Sell	5000	0.02	931523	4.48



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	
20.01.2017	Sell	16844	0.08	914679	4.40
27.01.2017	Sell	40049	0.19	874630	4.21
03.02.2017	Sell	99782	0.48	774848	3.73
10.02.2017	Sell	20129	0.10	754719	3.63
17.02.2017	Sell	45833	0.22	708886	3.41
24.02.2017	Sell	26425	0.13	682461	3.28
03.03.2017	Sell	32554	0.16	649907	3.13
10.03.2017	Sell	50	0.00	649857	3.12
17.03.2017	Sell	125430	0.60	524427	2.52
24.03.2017	Sell	38609	0.19	485818	2.34
31.03.2017	Sell	10000	0.05	475818	2.29
<b>At the end of the year</b>				<b>475818</b>	<b>2.29</b>

## 2 SANGEETA CHOUDHARY

<b>At the beginning of the year</b>		<b>693131</b>	<b>3.33</b>		
20.05.2016	Sell	5000	0.02	688131	3.31
09.09.2016	Purchase	10000	0.05	698131	3.36
23.09.2016	Sell	15000	0.07	683131	3.28
14.10.2016	Sell	23000	0.11	660131	3.17
28.10.2016	Sell	660131	3.17	0	0.00
28.10.2016	Purchase	650131	3.13	650131	3.13
09.12.2016	Sell	20000	0.10	630131	3.03
17.02.2017	Purchase	100000	0.48	730131	3.51
<b>At the end of the year</b>				<b>730131</b>	<b>3.51</b>

## 3 RAJEEV CHOUDHARY

<b>At the beginning of the year</b>		<b>439235</b>	<b>2.11</b>		
28.10.2016	Sell	439235	2.11	0	0.00
28.10.2016	Purchase	439235	2.11	439235	2.11
<b>At the end of the year</b>				<b>439235</b>	<b>2.11</b>

## 4 KOVAI PURANI FINANCE PVT. LTD.

<b>At the beginning of the year</b>		<b>349896</b>	<b>1.68</b>		
08.04.2016	Purchase	9942	0.05	359838	1.73
15.04.2016	Purchase	10162	0.05	370000	1.78
22.04.2016	Purchase	2307	0.01	372307	1.79

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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	
29.04.2016	Purchase	27629	0.13	399936	1.92
06.05.2016	Purchase	64	0.00	400000	1.92
13.05.2016	Purchase	10000	0.05	410000	1.97
27.05.2016	Purchase	6000	0.03	416000	2.00
<b>At the end of the year</b>				<b>416000</b>	<b>2.00</b>
<b>5. HARISH RAMANAN</b>					
<b>At the beginning of the year</b>		<b>120979</b>	<b>0.58</b>		
<b>At the end of the year</b>				<b>120979</b>	<b>0.58</b>
<b>6. PARAS KANOOGA M</b>					
<b>At the beginning of the year</b>		<b>105002</b>	<b>0.50</b>		
18.11.2016	Sell	13586	0.07	91416	0.44
25.11.2016	Sell	20916	0.10	70500	0.34
02.12.2016	Sell	70500	0.34	0	0.00
<b>At the end of the year</b>				<b>0</b>	<b>0.00</b>
<b>7. MAGESH KANOOGA S</b>					
<b>At the beginning of the year</b>		<b>91561</b>	<b>0.44</b>		
21.10.2016	Sell	67822	0.33	23739	0.11
28.10.2016	Sell	22639	0.11	1100	0.01
<b>At the end of the year</b>				<b>1100</b>	<b>0.01</b>
<b>8. MAHENDRA GIRDHARILAL</b>					
<b>At the beginning of the year</b>		<b>90713</b>	<b>0.44</b>	<b>90713</b>	<b>0.44</b>
<b>At the end of the year</b>		<b>0.00</b>	<b>0.00</b>	<b>90713</b>	<b>0.44</b>
<b>9. SATISH KUMAR</b>					
<b>At the beginning of the year</b>		<b>70000</b>	<b>0.34</b>		
<b>At the end of the year</b>				<b>70000</b>	<b>0.34</b>
<b>10. DEVIKA ANAND</b>					
<b>At the beginning of the year</b>		<b>56950</b>	<b>0.27</b>		
06.01.2017	Sell	56950	0.27	0	0.00
<b>At the end of the year</b>				<b>0</b>	<b>0.00</b>



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
<b>11. VRAMATH INVESTMENT CONSULTANCY PVT LTD</b>				
	<b>At the beginning of the year</b>	<b>0.00</b>		
	16.09.2016 Purchase	2000	2000	0.01
	23.09.2016 Purchase	198000	200000	0.96
	07.10.2016 Purchase	26312	226312	1.09
	14.10.2016 Sell	9184	217128	1.04
	28.10.2016 Purchase	74217	291345	1.40
	04.11.2016 Purchase	108653	399998	1.92
	18.11.2016 Purchase	915	400913	1.93
	25.11.2016 Purchase	513	401426	1.93
	02.12.2016 Purchase	97296	498722	2.40
	09.12.2016 Purchase	225317	724039	3.48
	16.12.2016 Purchase	25000	749039	3.60
	30.12.2016 Purchase	61382	810421	3.90
	06.01.2017 Purchase	131896	942317	4.53
	13.01.2017 Purchase	57681	999998	4.81
	03.02.2017 Purchase	2	1000000	4.81
	10.02.2017 Purchase	50002	1050002	5.05
	17.03.2017 Sell	150000	900002	4.33
	24.03.2017 Sell	300000	600002	2.89
	24.03.2017 Purchase	400000	1000002	4.81
	<b>At the end of the year</b>		<b>1000002</b>	<b>4.81</b>
<b>12. R SRIRAMANAN</b>				
	<b>At the beginning of the year</b>	<b>0.00</b>		
	13.01.2017 Purchase	100000	100000	0.48
	<b>At the end of the year</b>		<b>100000</b>	<b>0.48</b>
<b>13. R CHANDRA MOULI</b>				
	<b>At the beginning of the year</b>	<b>0.00</b>		
	09.12.2016 Purchase	16642	16642	0.08
	16.12.2016 Purchase	26901	43543	0.21
	23.12.2016 Purchase	57932	101475	0.49
	03.02.2017 Sell	80000	21475	0.10
	03.03.2017 Sell	1325	20150	0.10
	17.03.2017 Purchase	75000	95150	0.46
	<b>At the end of the year</b>		<b>95150</b>	<b>0.46</b>

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### 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
<b>1 Dr. Kaliannagounder Sundaramoorthy, Managing Director</b>				
<b>At the beginning of the year</b>	<b>10599920</b>	<b>50.97</b>		
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
<b>At the End of the year</b>			<b>10599920</b>	<b>50.97</b>
<b>2 Dr. Kavetha Sundaramoorthy, Director</b>				
<b>At the beginning of the year</b>	<b>223050</b>	<b>1.07</b>		
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
<b>At the End of the year</b>			<b>223050</b>	<b>1.07</b>
<b>3 Ms. Sangeetha Sundaramoorthy, Director</b>				
<b>At the beginning of the year</b>	<b>223050</b>	<b>1.07</b>		
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
<b>At the End of the year</b>			<b>223050</b>	<b>1.07</b>
<b>4 Mr. M. Venkatachalapathi, Chief Financial Officer (CFO)*</b>				
<b>At the beginning of the year</b>	<b>Nil</b>	<b>Nil</b>		
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
<b>At the End of the year</b>			<b>Nil</b>	<b>Nil</b>
<b>5 CA S. Saravana Ganesh, Chief Financial Officer (CFO)<sup>§</sup></b>				
<b>At the beginning of the year</b>	<b>Nil</b>	<b>Nil</b>		
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
<b>At the End of the year</b>			<b>Nil</b>	<b>Nil</b>
<b>6 CS Aditya Sharma, Company Secretary (CS)<sup>‡</sup></b>				
<b>At the beginning of the year</b>	<b>Nil</b>	<b>Nil</b>		
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
<b>At the End of the year</b>			<b>Nil</b>	<b>Nil</b>

\* CA M. Venkatachalapathi, Chief Financial Officer (CFO) has resigned w.e.f. 17<sup>th</sup> January, 2017

§ CA S. Saravana Ganesh has been appointed as Chief Financial Officer (CFO) w.e.f. 31<sup>st</sup> January, 2017

‡ CS Aditya Sharma has been appointed as Company Secretary (CS) w.e.f. 30<sup>th</sup> May, 2016.



## 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
<b>Indebtedness at the beginning of the financial year</b>				
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
<b>Total (i + ii + iii)</b>	<b>66.37</b>	<b>Nil</b>	<b>Nil</b>	<b>66.37</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	Nil	Nil	Nil	Nil
Reduction	18.41	Nil	Nil	18.41
<b>Net Change of Indebtedness</b>	<b>18.41</b>	<b>Nil</b>	<b>Nil</b>	<b>18.41</b>
<b>At the end of the financial year</b>				
i) Principal Amount	47.74	Nil	Nil	47.74
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	0.22	Nil	Nil	0.22
<b>Total (i + ii + iii)</b>	<b>47.96</b>	<b>Nil</b>	<b>Nil</b>	<b>47.96</b>

## 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	4.80	46.80
	(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
	<b>Total (A)</b>	<b>42.00</b>	<b>4.80</b>	<b>46.80</b>
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	84.00	84.00	168.00
<b>Plus contribution to Provident Fund, Superannuation, Gratuity and encashment of leave to the extent permitted under the Act</b>				

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

S. No.	Particulars of Remuneration	Name of the Directors					Total Amount	
		D.R.Karthikeyan	Dr.S.S.Badrinath	CAR.Subramanian	G.R.Karthikeyan	Dr.Yogesh Shah		CAM.Alagiriswamy
1	Independent Directors							
	Fee for attending Board / Committee Meetings	0.25	Nil	0.50	0.60	0.30	0.40	2.05
	Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total (1)</b>	<b>0.25</b>	<b>Nil</b>	<b>0.50</b>	<b>0.60</b>	<b>0.30</b>	<b>0.40</b>	<b>2.05</b>
2.	Other Non-Executive Directors							
	Dr. Kavetha Sundaramoorthy							
	Fee for attending Board / Committee Meetings	Nil						Nil
	Commission	Nil						Nil
	Others, please specify	Nil						Nil
	<b>Total (2)</b>	<b>0.00</b>						<b>0.00</b>
	<b>Total = (1+2)</b>	<b>0.25</b>	<b>Nil</b>	<b>0.50</b>	<b>0.60</b>	<b>0.30</b>	<b>0.40</b>	<b>2.05</b>
	<b>Total Managerial Remuneration</b>							<b>2.05</b>
	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).						

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

S.No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CFO*	CFO <sup>§</sup>	CS <sup>#</sup>	
		CA M. Venkatachalapathi	CA S. Saravana Ganesh	Aditya Sharma	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5.81	1.92	3.84	11.57
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission- as % of profit- others, specify	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	<b>Total (A)</b>	<b>5.81</b>	<b>1.92</b>	<b>3.84</b>	<b>11.57</b>

\* CA M. Venkatachalapathi, Chief Financial Officer (CFO) has resigned w.e.f. 17<sup>th</sup> January, 2017

§ CA S. Saravana Ganesh has been appointed as Chief Financial Officer (CFO) w.e.f. 31<sup>st</sup> January, 2017

# CS Aditya Sharma has been appointed as Company Secretary (CS) w.e.f. 30<sup>th</sup> May, 2016.

### VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Against the Company, Directors and other Officers in default under the Companies Act, 2013 : None

For and on behalf of the Board

Place : Coimbatore

Date : 27<sup>th</sup> May, 2017

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



## Annexure - IV to Board's Report

### Management Discussion and Analysis:

#### Industry Structure and Development:

Healthcare has become one of India's largest sectors - both in terms of revenue and employment. Healthcare comprises hospitals, medical devices, clinical trials, outsourcing, telemedicine, medical tourism, health insurance and medical equipment.

India's competitive advantage lies in its large pool of well-trained medical professionals. India is also cost competitive compared to its peers in Asia and Western countries. The cost of surgery in India is about one-tenth of that in the US or Western Europe.

The overall Indian healthcare market worth is around US\$ 100 billion and is expected to grow to US\$ 280 billion by 2020, with a Compound Annual Growth Rate (CAGR) of 22.9 per cent. Healthcare delivery, which includes hospitals, nursing homes and diagnostics centres, and pharmaceuticals, constitutes 65 per cent of the overall market.

There is a significant scope for enhancing healthcare services considering that healthcare spending as a percentage of Gross Domestic Product (GDP) is rising. Rural India, which accounts for over 70 per cent of the population, is set to emerge as a potential demand source.

India requires 600,000 to 700,000 additional beds over the next five to six years, indicative of an investment opportunity of US\$ 25-30 billion. Given this demand for capital, the number of transactions in the healthcare space is expected to witness an increase in near future. The average investment size by private equity funds in healthcare chains has already increased to US\$ 20-30 million from US\$ 5-15 million.

A total of 3,598 hospitals and 25,723 dispensaries across the country offer AYUSH (Ayurveda, Yoga & Naturopathy, Unani, Siddha and Homoeopathy) treatment, thus ensuring availability of alternative medicine and treatment to the people.

The Indian medical tourism industry is pegged at US\$ 3 billion per annum, with tourist arrivals estimated at 230,000. The Indian medical tourism industry is expected to reach US\$ 6 billion by 2018, with the number of people arriving in the country for medical treatment set to double over the next four years. With greater number of hospitals getting accredited and receiving recognition, and greater awareness on the need to develop their quality to meet international standards, Kerala aims to become India's healthcare hub in five years.

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.

#### Opportunities and Threats

The Indian healthcare sector is growing at a brisk pace due to its strengthening coverage, services and increasing expenditure by public as well as private players.

There is a significant scope for enhancing healthcare services considering that healthcare spending as a percentage of Gross Domestic Product (GDP) is rising. Rural India, which accounts for over 70 per cent of the population, is set to emerge as a potential demand source.

Increase in Competitive intensity due to new entrants, Increased cost of resources, discontinuation of leases etc. are some major threats associated to the healthcare industries.

#### Segment-wise or product-wise performance

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

#### Sector Outlook

The overall Indian healthcare market worth is around US\$ 100 billion and is expected to grow to US\$ 280 billion by 2020, a Compound Annual Growth Rate (CAGR) of 22.9 per cent. Healthcare delivery, which includes hospitals, nursing homes and diagnostics centres, and pharmaceuticals, constitutes 65 per cent of the overall market.

Rising population, growing awareness of health, willingness to pay for good quality of healthcare services, Competitive cost advantages are some of the factors favouring Healthcare sector.

## LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

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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.

### Risk 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.

#### v. Increased cost of resources

Failure to acquire resources at fair and reasonable rates and increase in operating expenses may impact the Company's growth and financials.

### 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 Internal Auditor 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 357 number of permanent employees on the rolls of the Company as on 31.03.2017. 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.

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For and on behalf of the Board

Place : Coimbatore

Date : 27<sup>th</sup> May, 2017

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

## Annexure - V to Board's Report

### REPORT ON CORPORATE GOVERNANCE

(Annexure to the Twentieth Directors' Report 2016-17)

#### 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, 2017. 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 31<sup>st</sup> March 2017, the strength of the Board is Nine 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. There are six Independent Directors and two women directors in our Board. The composition of Board is in compliance with the requirements of Regulation 17(1) of the SEBI (LODR) Regulations, 2015.

Name of the Director	Category as per SEBI Regulation	No. of Directorship*	Membership and / or Chairperson of Committees#	
			Member	Chairman
Dr. S.K. Sundaramoorthy (Chairman cum Managing Director)	Executive - Promoter	1	1	Nil
Dr. Kavetha Sundaramoorthy	Non-Executive - Promoter	1	Nil	Nil
Ms. Sangeetha Sundaramoorthy	Executive - Promoter	1	1	Nil
Mr. D.R. Kaarthikeyan	Non-Executive - Independent	7	4	1
Dr. S.S. Badrinath	Non-Executive - Independent	1	Nil	Nil
CA R. Subramanian	Non-Executive - Independent	2	Nil	3
Dr. Yogesh Shah	Non-Executive - Independent	1	Nil	Nil
Mr. G.R. Karthikeyan	Non-Executive - Independent	2	2	Nil
CA M. Alagiriswamy	Non-Executive - Independent	1	2	Nil

\*Excluding private limited companies, foreign companies, companies under Section 8 of the Companies Act, 2013 and alternate directorships but including Lotus Eye Hospital and Institute Limited.

# Includes only positions held in Audit Committee and Stakeholders' Relationship Committee in Indian public limited companies including Lotus Eye Hospital and Institute Limited.

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

## LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

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 has met four times during the year under review i.e. on 30<sup>th</sup> May, 2016, 13<sup>th</sup> August, 2016, 14<sup>th</sup> November, 2016 and 31<sup>st</sup> January, 2017.

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 (3)	Stakeholders Relationship Committee (1)	Annual General Meeting
Dr. S.K. Sundaramoorthy	4	-	2	1	Yes
Dr. S.S. Badrinath	1	-	-	-	No
Mr. D.R. Kaarthikeyan	2	2	1	-	No
CA R. Subramanian	4	4	-	1	Yes
Dr. Yogesh Shah	3	-	2	-	No
Ms. Sangeetha Sundaramoorthy	1	1	1	-	Yes
Dr. Kavetha Sundaramoorthy	-	-	-	-	No
Mr. G.R. Karthikeyan	4	4	3	-	No
CA M. Alagiriswamy	3	3	-	1	Yes

The figures within brackets denote the number of meetings held during the period 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017.

### Separate Meeting of Independent Directors

As per stipulations in Section VII of the Code for Independent Directors in Schedule IV of the Act and Regulation 25 of the LODR Regulations, a separate Meeting of the Company's Independent Directors was held on 31st January, 2017. Except Mr. D.R.Kaarthikeyan and Dr. S.S.Badrinath all the Independent Directors attended the meeting.

### Familiarisation Programme

Your Company has adopted policy on Familiarization programme of Independent Directors. During the year under review one programme was conducted by the company and details of such programme for familiarisation of the Independent Directors is available on the website of the Company at the following web-link: <https://www.lotuseye.org/investors>.

### 3. Audit Committee

#### Terms of Reference

Terms of reference of the Audit Committee includes overseeing the financial reporting process, reviewing of financial statements, ensuring compliance with the regulatory guidelines, reviewing of internal audit reports, recommending appointment and remuneration of auditors to the Board of Directors and reviewing 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 recommendations made by the audit committee during the year were accepted by the Board. The details of terms of reference of audit committee can be found on your company's website at the following link: <https://www.lotuseye.org/investors>.

#### Composition & Meetings:

There were four meetings held during the year i.e. on 30<sup>th</sup> May, 2016, 13<sup>th</sup> August, 2016, 14<sup>th</sup> November, 2016 and 31<sup>st</sup> January, 2017.

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 the Audit Committee is as follows:

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

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

##### Composition & Meetings:

The Committee met thrice during the year on 30<sup>th</sup> May, 2016, 14<sup>th</sup> November, 2016 and 31<sup>st</sup> January, 2017.

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	2
3.	Dr. S.K.Sundaramoorthy <sup>s</sup>	Member – Non_Independent – Executive	2
4.	Ms. Sangeetha Sundaramoorthy	Member – Non Independent – Executive	1
5.	Mr. G.R. Karthikeyan	Member – Independent – Non-Executive	3

**\$ Nomination and Remuneration Committee has been re-constituted in alignment of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI(LODR) Regulations, 2015, consequences to this Dr. S.K.Sundaramoorthy become the member of the committee in place of Ms. Sangeetha Sundaramoorthy w.e.f. 30<sup>th</sup> May, 2016.**

##### 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.

## LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

### 5. Nomination & 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: <https://www.lotuseye.org/investors>

#### Details of Remuneration to Executive/ Whole-time Director.

Details of Remuneration paid to Executive/Whole-time Director during the year ended 31<sup>st</sup> March, 2017 is given below:

S.No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Dr. S.K. Sundaramoorthy CMD	Ms. Sangeetha Sundaramoorthy, WTD	
1	<b>Gross Salary</b>			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	42.00	4.80	46.80
	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	<b>Stock Option</b>	Nil	Nil	Nil
3	<b>Sweat Equity</b>	Nil	Nil	Nil
4	<b>Commission- as % of profit- others, specify...</b>	Nil	Nil	Nil
5	<b>Others, please specify</b>	Nil	Nil	Nil
	<b>Total (A)</b>	<b>42.00</b>	<b>4.80</b>	<b>46.80</b>

#### Details of remuneration to Non-executive Directors

During financial year 2016-17 Non-Executive Independent Directors were paid sitting fee at the rate of 5,000/- for attending each meeting(s) of the Board and Committees thereof and separate meeting for Independent Directors'.

Details of the Sitting fees paid and Commission payable to the Non-Executive Directors of the Company for Financial year 2016-2017 are as under:

Name of the Directors	(₹ in Lakhs)	
	Sitting Fees Paid	
Mr. D.R. Kaarthikeyan	0.25	
CA R. Subramanian	0.50	
Mr. Yogesh Shah	0.30	
Dr. Kavetha Sundaramoorthy	0.00	
Dr. S.S. Badrinath	0.00	
Mr. G.R. Karthikeyan	0.60	
CA M. Alagiriswamy	0.40	
<b>Total</b>	<b>2.05</b>	

In addition to sitting fees, the Company pays/reimburses expenses incurred by Non-Executive/Independent Directors for attending the Board and Committee and general meetings of the Members of the Company.

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 above.

## 6. Stakeholders Relationship Committee

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

Committee met once during the year under review i.e. on 31<sup>st</sup> January, 2017.

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

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 : <https://www.lotuseye.org/profile/investors-grievances>

During the year the company has not received any complaints from the investors and there were no outstanding complaints as on 31.03.2017.

## 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
2015 - 16	19 <sup>th</sup> AGM	31.08.16 – 10.00 A.M	Registered Office at SF No.770/12, Avinashi Road, Civil Aerodrome Post, Coimbatore – 641 014.	No
2014 - 15	18 <sup>th</sup> 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 <sup>th</sup> AGM	24.09.14 – 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

### i) Financial results, Annual Report etc.:

The quarterly Unaudited Financial Results and the Annual Audited Financial Results as approved and taken on record by the Board are sent to / filed with the Stock Exchanges where the Company's shares are listed and then published in various leading national newspapers, viz. Business Standard (English – all editions) and Makkal Kural (Tamil edition). The Results are also posted on the Company's website [www.lotuseye.org](http://www.lotuseye.org).

All official releases and other related information are also displayed on this website. The quarterly Unaudited Financial Results and the Annual Financial Results, Balance Sheet, Statement of Profit & Loss, Directors' Report, Auditor's Report, Cash Flow Statement, Corporate Governance Report, Management Discussion and Analysis and Shareholding Pattern etc. can also be accessed by investors from the Company's website [www.lotuseye.org](http://www.lotuseye.org).

### ii) Management Discussion and Analysis

The Management Discussion and Analysis, as reviewed by the Audit Committee, is part of this Annual Report.

## 9. General Shareholders Information

- a) AGM Date, Time and Venue : 10<sup>th</sup> August, 2017 – 2.00 P.M  
Kasthuri Sreenivasan Trust Culture Centre,  
Avinashi Road, Coimbatore – 641 014.

## LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

- b) **Financial Calendar** : 1<sup>st</sup> April to 31<sup>st</sup> March
- c) **Date of Book Closure** : 4<sup>th</sup> August, 2017 to 10<sup>th</sup> August, 2017 (both days inclusive)
- d) **Date of payment of Dividend** : On or after 10<sup>th</sup> of August, 2017 (if approved by the members at the AGM)
- e) **Listing of**
- i) **Equity Shares** : **BSE Limited**  
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 2017-18 have been paid to all the above mentioned Stock Exchanges and there is no fee outstanding as on date.
- f) **Custodial Fees** : Custodial fees paid to the CDSL and NSDL and there is no fees outstanding as on date.
- g) **Stock Exchange Security Code For Equity Shares** : BSE - Scrip Code : 532998 – Scrip Name : LEHIL  
NSE - Scrip Code : LOTUSEYE
- h) **Demat ISIN Numbers in NSDL & CDSL for Equity Shares** : INE 947101017
- i) **Address of the Registered Office / Address for Correspondence** : 1. 770/12, Avinashi Road, Civil Aerodrome Post, Coimbatore – 641 014.  
2. **M/s.S.K.D.C Consultants Limited**,  
Kanapathy Towers, 3<sup>rd</sup> floor, 1391 / A-1, Sathy Road,  
Ganapathy, Coimbatore – 641 006
- j) **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, Near Valarmathi Bus Stop,  
Tirupur – 641 601.  
3. 86, Brindhavan Road, Fairlands, Salem – 636 016.  
4. No. 28, Coimbatore Main Road, Opp. Bus Stand,  
Mettupalayam – 641 301.  
5. No.533/33A – 33F, Thejas Towers, SA Road,  
Kadavanthara, Cochin – 682 020.  
6. 229A, Kurisingal House, Mulanthuruthy Post, Cochin – 682 314.

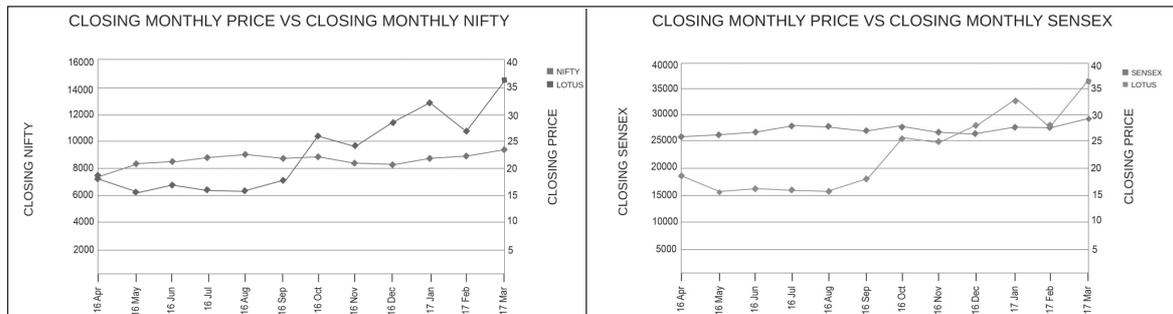
**k) Market Price Data:**

Monthly High & Low Prices of shares traded on BSE & NSE for the period from April 2016 to March 2017 (Shares listed on 11.07.2008)

Month	Share Price in ₹			
	BSE (High & Low)		NSE (High & Low)	
April, 2016	20.25	15.60	20.10	15.00
May, 2016	20.30	15.30	20.45	15.20
June, 2016	19.15	14.65	19.00	14.55
July, 2016	18.25	16.50	18.30	16.50
August, 2016	18.00	15.50	18.15	15.15
September, 2016	21.00	14.50	21.20	14.45
October, 2016	27.70	18.05	27.60	17.75
November, 2016	27.00	17.80	26.35	17.50
December, 2016	31.95	22.40	32.00	22.40
January, 2017	36.00	28.45	35.80	27.30
February, 2017	32.35	25.15	31.25	25.50
March, 2017	39.00	26.00	39.05	26.25

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

**CLOSING MONTHLY PRICE VS CLOSING MONTHLY SENSEX AND NIFTY**



**m) Registrar & Share Transfer / Demat Agents** : M/s.S.K.D.C Consultants Limited,  
 Kanapathy Towers, 3<sup>rd</sup> 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

**n) Share Transfer System**

99.98% of the Company's paid-up equity share capital is held in dematerialized form (only 4327 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.

**o) Category of Shareholder & Distribution of Shareholding**

**i) Categories of Shareholders as on 31.03.2017**

S.No	Category	No. of Share holders	No. of Shares held Share Capital	% of paid up
1	Promoters and Promoters group	5	11046220	53.12
2	Foreign Institutional Investors	0	0	0.00
3	Bodies Corporate	126	1734680	8.34
4	Individuals	7346	7197942	34.61
5	Others	405	817488	3.93
	<b>Total</b>	<b>7882</b>	<b>20796330</b>	<b>100.00</b>

## LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

### ii) Distribution of Shareholding as on 31.03.2017

Range (No. of Shares)	No. of Share holders	No. of Equity Shares	% of Shareholding
1 - 500	6029	1047216	5.04
501 - 1000	885	770630	3.71
1001 - 2000	452	731010	3.52
2001 - 3000	165	431519	2.07
3001 - 4000	61	222719	1.07
4001 - 5000	88	418114	2.01
5001 - 10000	99	717982	3.45
10001 and above	103	16457140	79.13
<b>Total</b>	<b>7882</b>	<b>20796330</b>	<b>100.00</b>

#### p) Dematerialization of Shares:

The Company's shares are compulsorily required to be traded in electronic form and are available for trading with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) 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, as allotted by CDSL and NSDL, is INE 947I01017.

As on 31<sup>st</sup> March 2017, 99.98% of the Company's paid-up equity capital were held in dematerialized form (only 4327 shares in the physical form).

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

#### r) 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. 29(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: <https://www.lotuseye.org/investors>

#### b) Details of Non-compliances

No penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years. However Company has paid fine to NSE for delayed filing of information as required to be filled under Regulation 27 and 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended 31<sup>st</sup> December, 2015

#### 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 have 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 requirements 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 31<sup>st</sup> March 2017. The Executive Director and the Chief Financial Officer of the Company also gives 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 Report forms 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 & 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 31<sup>st</sup> March, 2017.

For and on behalf of the Board

Place : Coimbatore

Date : 27<sup>th</sup> May, 2017

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

# LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

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## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

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

We have examined all relevant records of Lotus Eye Hospital and Institute Limited for the purpose of certifying compliance of the conditions of Corporate Governance as per Para C of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with Regulation 34(2) of the said Listing Regulations (Hereinafter, collectively referred to as the Listing Regulations) for the Financial Year ended on 31<sup>st</sup> March, 2017. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the procedure and implementation thereof and was carried out in accordance with the Guidance Note on Corporate Governance Certificate issued by the Institute of Chartered Accountants of India. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our examination of the records produced and explanations furnished, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

Restriction on use

This certificate is issued solely to enable the company to comply with the requirements of the listing regulations and may not be suitable for any other purpose.

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

Place : Coimbatore  
Date : 27<sup>th</sup> May, 2017

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



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## 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 31<sup>st</sup> March 2017 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 except change in the method of valuation of inventories 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.

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**For and on behalf of the Board**

Place : Coimbatore  
Date : 27<sup>th</sup> May, 2017

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

**(Sd.) CA S. Saravana Ganesh**  
Chief Financial Officer

# LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

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## Annexure - VI to Board's 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

- 1.1 To set criteria for determining qualifications, positive attributes and independence of a director, and their remuneration.
- 1.2 To enable the Company to attract, retain and motivate highly qualified members for the Board to run the Company successfully.
- 1.3 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.
- 1.4 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:

<https://www.lotuseye.org/investors> )

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## 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.

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For and on behalf of the Board

Place : Coimbatore

Date : 27<sup>th</sup> May, 2017

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

# LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

## 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, 2017, 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 ("the Act"). 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, 2017, and its profit and its cash flows for the year ended on that date.

### Emphasis of Matters:

We draw attention to the following matters in the Notes to the financial statements.

Note No.1 (B) (d) to the financial statements, which describes the impact of change in the method of valuation of inventory of optical and lens.

### 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, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013; and
  - 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', and
  - 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 as at March 31, 2017 on its financial position in its financial statements - Refer to note 28 to the financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O 3407(E) dated the 8<sup>th</sup> November, 2016 of the Ministry of Finance, during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the company.  
- Refer to note 29 to the financial statements.

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 : 27<sup>th</sup> May, 2017

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## 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 31<sup>st</sup> March, 2017.

- (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, 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, income tax, sales tax, value added tax, customs duty, service tax, cess and any other material statutory dues were in arrears as at 31.03.2017 for a period of more than six months from the date they became payable except TDS demands of procedural nature which are under rectification.

- 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:

## LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Nature of statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Kerala Value Added Tax Act	VAT Liability	1.89/-	01.04.2012 to 31.03.2013	The Assistant Commissioner (Appeals)
Kerala Value Added Tax Act	VAT Liability	5.16/-	01.04.2013 to 31.03.2014	An Appeal to the VAT Appellate Tribunal is under process
Kerala Value Added Tax Act	VAT Liability	9.71/-	01.04.2011 to 31.03.2012	High Court, Kerala
Kerala Value Added Tax Act	VAT Liability	11.90/-	01.04.2011 to 31.03.2012	High Court, Kerala
Kerala Value Added Tax Act	VAT Liability	2.73/-	01.04.2010 to 31.03.2011	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) or term loans and hence reporting under clause (ix) of the CARO 2016 order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (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 is 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 : 27<sup>th</sup> May, 2017

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



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## 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<sup>st</sup> March 2017 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 were 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 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.

## LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

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### **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, to the best of our information and according to the explanations given to us, 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<sup>st</sup> March, 2017 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.

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

Place : Coimbatore  
Date : 27<sup>th</sup> May, 2017

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


**Balance Sheet as at 31<sup>st</sup> March, 2017**
**( ₹ in Lakhs )**

Particulars	Note No.	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	2,079.63	2,079.63
(b) Reserves and Surplus	3	2,911.60	2,868.85
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	4	29.59	47.90
(b) Long-Term Provisions	5	37.77	31.19
<b>(3) Current Liabilities</b>			
(a) Trade Payables	6	259.75	259.50
(b) Other Current Liabilities	7	117.86	169.89
(c) Short-Term Provisions	8	43.35	25.92
<b>TOTAL</b>		<b>5,479.55</b>	<b>5,482.88</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	9		
(i) Tangible Assets		4,111.97	4,329.87
(ii) Intangible Assets		19.94	27.06
(iii) Capital work in progress		65.48	42.34
		<b>4,197.39</b>	<b>4,399.27</b>
(b) Deferred Tax Asset (Net)	10	19.62	15.32
(c) Long term loans and advances	11	427.12	440.01
<b>(2) Current Assets</b>			
(a) Inventories	12	179.83	278.12
(b) Trade receivables	13	68.31	50.94
(c) Cash and cash equivalents	14	498.47	247.37
(d) Short-term loans and advances	15	70.81	51.85
(e) Other Current Assets	16	18.00	-
<b>TOTAL</b>		<b>5,479.55</b>	<b>5,482.88</b>

Significant Accounting Policies &amp; Notes on Financial Statements 1 to 29

**As per our Report of even date attached**

 For **VEKAM AND ASSOCIATES**
*Chartered Accountants*

Firm Registration No: 05256S

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

Membership No. 026129

Place : Coimbatore

 Date : 27<sup>th</sup> May, 2017

**For and on behalf of the Board of Directors**

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

 (Sd.) **Mr. G.R. Karthikeyan**  
*Director*

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

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

 (Sd.) **CA S. Saravana Ganesh**  
*Chief Financial Officer*

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

# LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

## Statement of Profit and Loss Account for the year ended 31<sup>st</sup> March, 2017

( ₹ in Lakhs )

Particulars	Note No.	Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2016
<b>INCOME:</b>			
Revenue from operations	17	3,396.47	3,113.22
Other Income	18	71.37	57.36
<b>TOTAL REVENUE</b>		<b>3,467.84</b>	<b>3,170.58</b>
<b>EXPENSES:</b>			
Cost of materials consumed	19	477.10	351.38
Purchase of Stock-in-Trade	20	550.24	488.92
Service Expenses	21	553.48	552.81
Changes in inventories	22	64.36	55.92
Employee Benefit Expenses	23	745.29	624.82
Finance Cost	24	6.43	8.33
Depreciation and Amortization Expenses	25	344.12	443.54
Other Expenses	26	683.43	647.84
<b>TOTAL EXPENSES</b>		<b>3,424.45</b>	<b>3,173.56</b>
<b>Profit / (Loss) before Tax and Exceptional item</b>		<b>43.39</b>	<b>(2.98)</b>
Exceptional Items			
Profits / (Loss) on Sale of Fixed Assets	27	(3.22)	0.79
Depreciation Withdrawn		-	0.14
<b>Profit / (Loss) Before Tax</b>		<b>40.17</b>	<b>(2.05)</b>
<b>Tax Expenses</b>			
1) Current tax (including provisions)		7.67	-
2) MAT Credit Entitlement		(7.67)	-
3) Previous years		1.73	-
4) Deferred tax (Income) / Expenses		(4.30)	(12.13)
<b>Profit / (Loss) for the year</b>		<b>42.74</b>	<b>10.08</b>
<b>Earning per equity share:</b>			
1) Basic		0.21	0.05
2) Diluted		0.21	0.05

Significant Accounting Policies & Notes on Financial Statements 1 to 29

### As per our Report of even date attached

For **VE KAM AND ASSOCIATES**

Chartered Accountants

Firm Registration No: 05256S

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

Membership No. 026129

Place : Coimbatore

Date : 27<sup>th</sup> May, 2017

### For and on behalf of the Board of Directors

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

(Sd.) **Mr. G.R. Karthikeyan**  
Director

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

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

(Sd.) **CA S. Saravana Ganesh**  
Chief Financial Officer

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


**Cash Flow Statement for the year ended 31<sup>st</sup> March, 2017**
**( ₹ in Lakhs )**

Particulars	Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2016
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / Loss Before Tax and after Extraordinary Items	40.17	(2.05)
<b>ADJUSTMENTS FOR:</b>		
Depreciation	344.12	443.54
Income on Investments	(36.09)	(25.78)
Depreciation Withdrawn	-	(0.14)
Profit on Sale of Assets	3.22	(0.79)
Interest Expenses	6.43	8.33
<b>Operating profit before working capital changes</b>	<b>357.85</b>	<b>423.11</b>
<b>ADJUSTMENTS FOR:</b>		
(Increase) / Decrease in Inventories	98.29	30.40
(Increase) / Decrease in Trade Receivables	(17.37)	(15.63)
(Increase) / Decrease in Short Term Loans and Advances	(18.96)	50.33
Increase / (Decrease) in Current Liability	(34.35)	(153.95)
Increase / (Decrease) in Current Assets	(18.00)	
Increase / (Decrease) in Long Term Provisions	6.58	4.01
<b>Cash Generated From (Used in) Operating Activities</b>	<b>374.04</b>	<b>338.27</b>
Tax Paid	(1.73)	-
<b>Net Cash Generated from / (used in) Operating Activities</b>	<b>372.31</b>	<b>338.27</b>
<b>B) CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets	(122.32)	(100.13)
Capital Work in Progress	(23.14)	(14.99)
Sales of Assets	-	4.64
Interest Received	36.09	25.78
<b>Net Cash Generated from (Used in) Investing Activities</b>	<b>(109.37)</b>	<b>(84.70)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Expenses	(6.43)	(8.33)
Increase / (Decrease) in Long Term Borrowings	(18.31)	(18.77)
Increase / (Decrease) in Long Term Loans & Advances	12.90	(30.65)
<b>Net Cash From / (Used in) Financing Activities</b>	<b>(11.84)</b>	<b>(57.75)</b>
<b>(Increase) / Decrease In Cash and Cash Equivalents</b>	<b>251.10</b>	<b>195.82</b>
Cash and Cash Equivalents at the Beginning of the Year	247.37	51.55
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>498.47</b>	<b>247.37</b>
Cash on Hand	7.36	8.24
Balance With Bank	491.11	239.13

**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 : 27<sup>th</sup> May, 2017

**For and on behalf of the Board of Directors**

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

 (Sd.) **Mr. G.R. Karthikeyan**  
*Director*

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

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

 (Sd.) **CA S. Saravana Ganesh**  
*Chief Financial Officer*

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

# LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

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## Note No. 1

### A. Nature of Operations:

The company was incorporated as "Kalaivani 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 centres at Peelamedu, R.S. Puram, Mettupalayam, Tirupur, Salem, Cochin and Mulanthurthy. The Company's Equity shares are Listed on 03.08.2008 with BSE Limited 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.

Improvements to Leasehold premises is amortized over the remaining primary lease period and renewable period.

#### d) Inventories

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

During the year the method of valuation of Optical and lens was changed from market price to lower of cost and net realizable value in line with AS - 2 - Inventories issued by ICAI.

Due to the above change in the method of valuation, value of closing stock, Profit for the year and Surplus (i.e. Accumulated Profits) are reduced by Rs. 139.13 Lakhs.

#### 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 are accounted as and when the claims are accepted or settled by the insurance company whichever is earlier.

#### 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 Leasing arrangements are in respect of Operating Lease 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.

Minimum Alternate Tax ("MAT") credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the Guidance note issued by Institute of Chartered Accountants of India ("ICAI"), the said asset is created by way of credit to Statement of Profit and Loss. The company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal income tax during the specified period.

**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 is 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, but not provided for in the books of accounts are disclosed by way of notes to accounts.

**n) Dividends**

Final Dividend on shares are recorded as a liability on the date of approval by the shareholders at the annual general meeting and interim dividend are recorded as a liability on the date of declaration by the Board.

## LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

### NOTE No.: 2 SHARE CAPITAL

		( ₹ in Lakhs )	
Sl. No.	Particulars	As at 31.03.2017	As at 31.03.2016
<b>1.</b>	<b>Authorised Capital</b>		
	2,50,00,000 Equity Shares of ₹ 10/- each.	2,500.00	2,500.00
		2,500.00	2,500.00
<b>2.</b>	<b>Issued, Subscribed &amp; Paid up capital</b>		
	2,07,96,330 Equity Shares of ₹ 10/- each	2,079.63	2,079.63
	<b>Total</b>	<b>2,079.63</b>	<b>2,079.63</b>

- a) 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.
- b) Before amalgamation 211000 Equity shares of ₹ 100/- each consists of initial subscription to memorandum and subsequent allotment to the promoters.
- c) 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 Private Limited.
- d) 345233 Equity shares of ₹ 100/- each were allotted as bonus shares on 28.08.2007 by Capitalisation of general reserve.
- e) 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.
- f) 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.
- g) 10000000 equity shares of ₹ 10/- each allotted on 03.07.2008 through Initial Public Offer (IPO) with a premium of ₹ 28/- per share.
- h) **Details of Shareholders holding more than 5% shares in the Company**

Sl. No.	Name of the Shareholder	Equity shares As at 31.03.2017		Equity shares As at 31.03.2016	
		No. of shares held	% of holding	No. of shares held	% of holding
1	Dr. S.K. Sundaramoorthy	10,599,920	50.97	10,599,920	50.97



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

Sl. No.	Particulars	Equity shares As at 31.03.2017		Equity shares As at 31.03.2016	
		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

j) The Company has no stock option plans

#### Note No. 3 Reserves & Surplus

					(₹ in Lakhs)	
Sl. No.	Particulars		As at 31.03.2017	As at 31.03.2016		
1.	Securities Premium Reserve	A	2,514.14	2,514.14		
2.	Surplus (Profit & Loss Account)					
	Balance brought forward from previous year		354.72	344.64		
	Add: Profit / (Loss) for the period		42.74	10.08		
		B	397.46	354.72		
	<b>Total (A + B)</b>		<b>2,911.60</b>	<b>2,868.85</b>		

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 31<sup>st</sup> March, 2017

					(₹ in Lakhs)	
Details			As at 31.03.2017	As at 31.03.2016		
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	3,483.35		
Unutilized IPO funds deposited in the form of Temporary investment / Current account with bank			-	-		

## LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

### Non-Current Liabilities

#### Note No. 4 Long Term Borrowings

(₹ in Lakhs)

Sl. No.	Particulars	As at 31.03.2017	As at 31.03.2016
1.	<b>Term Loan</b>		
	From Bank		
	HDFC Bank Ltd	29.59	47.90
	<b>Total</b>	<b>29.59</b>	<b>47.90</b>

#### A. Security Particulars of Secured Loans

- 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.

#### Note No. 5 Long Term provisions

Sl. No.	Particulars	As at 31.03.2017	As at 31.03.2016
	Provision for Gratuity	37.77	31.19
	<b>Total</b>	<b>37.77</b>	<b>31.19</b>

### Current Liabilities

#### Note No. 6 Trade Payable

Sl. No.	Particulars	As at 31.03.2017	As at 31.03.2016
A	Sundry Creditors for Services:		
	i) Consumables and Contact Lens	103.19	89.10
	ii) Pharmacy	29.37	33.31
	iii) Optical Lens & Frames	90.63	71.51
	iv) Canteen	3.49	2.64
B	Others	33.07	62.94
	<b>Total</b>	<b>259.75</b>	<b>259.50</b>

- 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.



**Note No. 7 Other Current Liabilities**

(₹ in Lakhs)

Sl.No	Particulars	As at	As at
		31.03.2017	31.03.2016
i)	Current maturities of long term debt.	18.15	18.47
ii)	Accrued salaries and benefits	41.12	0.51
iii)	Advance received from customers	14.12	32.21
iv)	Statutory Dues	32.84	26.99
v)	Creditors for Capital Goods	0.91	81.94
vi)	Other Liabilities	10.50	9.77
vii)	Interest accrued but not due on borrowings	0.22	-
<b>Total</b>		<b>117.86</b>	<b>169.89</b>

a) Other liabilities includes caution deposit collected from employees who are in service amounting Rs. 6.61 Lakhs (Previous year : ₹ 5.95 Lakhs).

**Note No. 8 Short Term Provisions**

Sl.No	Particulars	As at	As at
		31.03.2017	31.03.2016
1	<b>Provision for employee benefits</b>		
	Provision for Gratuity	11.82	7.97
2.	Provision for (Minimum Alternate Tax) MAT	7.67	-
3.	Other Short term provisions	23.86	17.95
<b>Total</b>		<b>43.35</b>	<b>25.92</b>

# LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

## Note No. 9 : FIXED ASSETS

(₹ in Lakhs)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01.04.2016	Addition during the Year	Deduction during the year	As at 01.04.2016	Depreciation during the year	Deduction during the year	As at 31.03.2017	WDV As at 31.03.2016
<b>Tangible Assets</b>								
Buildings	1,176.01	12.01	-	378.64	38.45	-	417.09	797.37
Computers	114.37	4.16	-	91.06	11.16	-	102.22	23.31
Electrical Equipments	92.90	1.28	-	72.06	5.51	-	77.57	20.84
Furniture & Fixtures	117.76	5.27	-	82.71	10.50	-	93.21	35.05
Hospital Equipments	2,769.39	38.55	42.00	1,886.12	190.33	38.78	2,037.67	883.27
Land	2,353.08	-	-	2,353.08	-	-	-	2,353.08
Office Equipments	216.11	41.40	-	156.54	20.95	-	177.49	80.02
Plant & Machinery	83.20	3.26	-	52.80	8.84	-	61.64	30.40
Vehicles	124.28	16.40	-	86.11	15.55	-	101.66	38.17
<b>Sub Total [A]</b>	<b>7,047.09</b>	<b>122.33</b>	<b>42.00</b>	<b>2,806.04</b>	<b>301.29</b>	<b>38.78</b>	<b>3,068.55</b>	<b>4,241.06</b>
<b>Intangible Assets</b>								
Software	48.21	-	-	21.16	7.11	-	28.27	27.05
<b>Sub Total [B]</b>	<b>48.21</b>	<b>-</b>	<b>-</b>	<b>21.16</b>	<b>7.11</b>	<b>-</b>	<b>28.27</b>	<b>27.05</b>
<b>Capital Work in Progress</b>								
Building RSP	39.37	-	12.01	-	-	-	-	39.37
Building PLM	-	38.12	-	-	-	-	-	-
Hospital Equipment	2.98	-	2.98	-	-	-	-	2.98
Sewage/Treatment Plant-PLM	-	21.50	21.50	-	-	-	-	-
<b>Sub Total [C]</b>	<b>42.35</b>	<b>59.62</b>	<b>36.49</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42.35</b>
<b>Total [A+B+C] Current Year</b>	<b>7,137.65</b>	<b>181.95</b>	<b>78.49</b>	<b>2,827.20</b>	<b>308.40</b>	<b>38.78</b>	<b>3,096.82</b>	<b>4,310.45</b>
<b>Previous Year</b>	<b>7,044.46</b>	<b>116.44</b>	<b>23.26</b>	<b>2,482.90</b>	<b>362.53</b>	<b>18.23</b>	<b>2,827.20</b>	<b>4,561.57</b>

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01.04.2016	Addition during the Year	Deletion/transfer during the year	As at 01.04.2016	Depreciation during the year	Deduction during the year	Total Assets written off as at 31.03.2017	WDV As at 31.03.2016
<b>Improved Leased Asset</b>								
Salem Brindavan	116.86	-	-	46.74	23.37	-	70.11	70.12
Mettupalayam	40.85	-	-	30.54	9.55	-	40.09	10.31
Kochin super structure	201.65	-	-	193.25	2.80	-	196.05	8.40
<b>Sub Total (D)</b>	<b>359.36</b>	<b>-</b>	<b>-</b>	<b>270.53</b>	<b>35.72</b>	<b>-</b>	<b>306.25</b>	<b>88.83</b>
<b>Previous Year</b>	<b>359.36</b>	<b>-</b>	<b>-</b>	<b>189.53</b>	<b>81.00</b>	<b>-</b>	<b>270.53</b>	<b>169.83</b>
<b>Grand Total Current Year</b>	<b>7,497.01</b>	<b>181.95</b>	<b>78.49</b>	<b>3,097.73</b>	<b>344.12</b>	<b>38.78</b>	<b>3,403.07</b>	<b>4,399.27</b>
<b>Grand Total Previous Year</b>	<b>7,404.00</b>	<b>116.44</b>	<b>23.26</b>	<b>2,672.44</b>	<b>443.54</b>	<b>18.23</b>	<b>3,097.73</b>	<b>4,731.39</b>



Note No. 10 Deferred Tax Asset (Net)		(₹ in Lakhs)	
Sl. No.	Particulars	As at 31.03.2017	As at 31.03.2016
i.	Deferred tax (Liability) / Assets on account of Accumulated Depreciation	15.32	3.19
	Add : Deferred tax Asset created during the year	4.30	12.13
	<b>Total</b>	<b>19.62</b>	<b>15.32</b>

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 31.03.2017	As at 31.03.2016
	<b>Unsecured, Considered Good</b>		
1.	Capital Advances	175.73	173.22
2.	Security Deposit		
	Electricity & Other Deposit	18.53	16.15
	HDFC Bank - Equipment Loan Security Deposit	-	16.81
3.	Other Loans and advances		
	Rent Deposits	141.69	138.71
	Advance Income tax and Refunds	83.50	95.12
	MAT Credit Entitlement	7.67	-
	<b>Total</b>	<b>427.12</b>	<b>440.01</b>

#### Note No. 12 Inventories

Sl. No.	Particulars	As at 31.03.2017	As at 31.03.2016
1	Pharmacy	17.89	14.27
2	Canteen	0.61	0.06
3	Consumables	77.60	111.53
4	Optical Frames	79.09	140.21
5	Contact Lens	4.64	12.06
	<b>Total</b>	<b>179.83</b>	<b>278.13</b>

- a) Inventories are valued at Lower of cost and net realizable value. Cost is arrived at on first out basis.
- b) During the year the method of valuation of optical and lens was changed from market price to cost price ( Please refer Note No. 1(B)(d) )
- c) 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 31.03.2017	As at 31.03.2016
1	<b>Outstanding for more than six months</b>		
	a) Unsecured, Considered Good	12.25	1.02
2	<b>Other</b>		
	a) Unsecured, Considered Good	56.06	49.92
	<b>Total</b>	<b>68.31</b>	<b>50.94</b>

## LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

### Note No. 14 Cash & Cash Equivalents

(₹ in Lakhs)

Sl. No.	Particulars		Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2016
a)	Cash and cheques on hand	A	7.36	8.24
b)	Balance with Banks	B		
	In Current Accounts		(86.42)	(121.97)
	In Deposit Accounts		577.53	361.10
			491.11	239.13
	<b>Total</b>	<b>A + B</b>	<b>498.47</b>	<b>247.37</b>

### Note No. 15 Short Term Loans and Advances

Sl. No.	Particulars		As at 31.03.2017	As at 31.03.2016
	<b>Unsecured, Considered Good</b>			
a)	Advance for Expenses		26.72	1.34
b)	Loan and Advance to Employees		0.18	0.06
c)	Other Loans and Advances		1.06	1.86
d)	Prepaid Expenses		42.85	48.59
	<b>Total</b>		<b>70.81</b>	<b>51.85</b>

### Note No. 16 Other Current Assets

Sl. No.	Particulars		Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2016
	<b>Insurance claims receivable</b>			
a)	United India Insurance Co.		18.00	-
	<b>Total</b>		<b>18.00</b>	<b>-</b>

### Note No. 17 Revenue from Operations

Sl. No.	Particulars		Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2016
1	Income from Medical Services		2,233.10	2,009.21
2	Income from other Utilities		43.05	49.50
3	Pharmacy Sales		214.17	220.60
4	Contact Lens & Optical		906.15	833.91
	<b>Total</b>		<b>3,396.47</b>	<b>3,113.22</b>

### Note No. 18 Other Income

Sl. No.	Particulars		Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2016
1	Interest on FDR's		36.09	25.78
2	Other Receipts		35.28	31.58
	<b>Total</b>		<b>71.37</b>	<b>57.36</b>


**Note No. 19 Cost of Material Consumed**
**(₹ in Lakhs)**

Sl. No.	Particulars	Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2016
1	Opening Stock	111.53	86.01
2	Add : Purchase	443.17	376.90
		554.70	462.91
3	Less : Closing Stock	77.60	111.53
	<b>Total</b>	<b>477.10</b>	<b>351.38</b>

**Note No. 20 Purchase of Stock in Trade**

Sl. No.	Particulars	Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2016
1	Pharmacy Purchase	140.22	136.35
2	Purchase of Contact Lens & Optical	373.78	317.36
3	Canteen & Utility Purchase	36.24	35.21
	<b>Total</b>	<b>550.24</b>	<b>488.92</b>

**Note No. 21 Service Expenses**

Sl. No.	Particulars	Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2016
1	Professional charges to Doctors	467.51	467.69
2	Power & Fuel	85.97	85.12
	<b>Total</b>	<b>553.48</b>	<b>552.81</b>

**Note No. 22 Changes in Inventories**

Sl. No.	Particulars	Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2016
1	Opening Stock	166.59	222.51
2	Closing Stock	102.23	166.59
	<b>(Increase) / Decrease in Inventories</b>	<b>64.36</b>	<b>55.92</b>

**Note No. 23 Employment Benefit Expenses**

Sl. No.	Particulars	Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2016
1	Salaries & Bonus	624.24	522.89
2	Contribution to Provident and other Funds	64.03	48.29
3	Staff Welfare Expenses	10.22	8.84
4	Directors Remuneration	46.80	44.80
	<b>Total</b>	<b>745.29</b>	<b>624.82</b>

## LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

### Note No. 24 Finance Cost

(₹ in Lakhs)

Sl. No.	Particulars	Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2016
1	Interest on Car loan	0.12	0.37
2	Interest on Term loan	6.31	7.96
	<b>Total</b>	<b>6.43</b>	<b>8.33</b>

### Note No. 25 Depreciation & Amortised Cost

Sl. No.	Particulars	Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2016
1	Depreciation	308.40	362.67
	Less: Depreciation Withdrawn	-	0.14
		308.40	362.53
2	Improved Leased Assets written off	35.72	81.01
	<b>Total</b>	<b>344.12</b>	<b>443.54</b>

### Note No. 26 Other Expenses

Sl. No.	Particulars	Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2016
1	Hospital Upkeep Expenses	32.84	26.66
2	Advertisement & Publicity	28.13	15.09
3	Auditors Remuneration	4.72	3.98
4	Internal Auditors Remuneration	5.76	5.71
5	Bank Charges	8.50	6.80
6	Board and AGM Meeting Expenses	5.43	6.15
7	Camp Expenses	1.97	4.38
8	Consulting Charges	-	6.35
9	Directors Sitting Fees	2.05	1.50
10	Donation	0.05	0.14
11	Insurance Expenses	11.66	10.89
12	Interest on TDS, ESI & Service Tax	0.09	0.46
13	License & taxes	14.05	15.25
14	Marketing, Conference expenses	20.38	9.04
15	Postage & Telegram	3.02	4.07
16	Printing & Stationery Expenses	16.73	16.58
17	Professional & Recommendation Charges	35.04	29.87
18	Rent	263.90	256.86
19	Sales Tax & Service Tax Paid	9.33	6.51
20	Security Expenses	23.61	22.63
21	Sundry balance written off	-	3.21
22	Telephone Expenses	17.61	15.96
23	Travelling Expenses	12.27	4.74
24	Water Charges	12.30	11.36
25	Prior Period Expenses	3.69	14.69
26	Repairs & Maintenance - Building	4.63	3.96
27	Repairs & Maintenance - Equipment & AMC	100.09	100.51
28	Repairs & Maintenance - Electrical	7.06	6.13
29	Repairs & Maintenance - Vehicle	19.39	16.13
30	Repairs & Maintenance - Computer	3.40	2.84
31	Repairs & Maintenance - Others	2.40	2.83
32	Administrative & Other Expenses	8.63	12.95
33	Diwali Gift	1.17	0.67
34	Lab Expenses	2.48	2.28
35	New Year Celebration expenses	1.05	0.66
	<b>Total</b>	<b>683.43</b>	<b>647.84</b>



**Note No.: 27 Exceptional Items**

1. The Company has disposed off one component from laser equipment during the year (Last year : Sold its Furniture, Equipment, Battery & Vehicle)
2. The Income & Loss from Sales / disposal is reflected as Exceptional Item.

**Note No.: 28 Contingent Liabilities and Commitments as on the closing date**

(₹ in Lakhs)

Sl. No.	Particulars	Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2016
1.	Contingent Liabilities		
a)	On account of Pending Litigations Sales Tax Matters (along with Interest & Penalty if any)	31.39	7.10
	<b>Total</b>	<b>31.39</b>	<b>7.10</b>

**Payments to the Auditors Comprises (Including Service Tax where applicable)**

Sl. No.	Particulars	Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2016
a)	As Auditor		
	Statutory Audit Fee	3.05	2.98
	Tax Audit Fee	0.58	0.57
	Vat Audit	0.17	0.17
b)	Other Capacity	-	-
	Tax Representation	0.75	-
	Certification Fee	0.11	0.23
	Reimbursement of Expenses	0.06	0.03
	<b>Total</b>	<b>4.72</b>	<b>3.98</b>

**Prior Period Expenses / Incomes includes**

Sl. No.	Particulars	Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2016
1	Personnel Cost	1.88	0.12
2	Professional Charges	-	1.59
3	Purchase	0.81	14.51
4	Selling Expenses	0.03	0.39
5	Service Expenses	-	0.04
6	Repairs & Maintenance	0.24	19.67
7	Other Administrative Expenses	2.17	1.94
8	Discount received & Other Income	(1.44)	(23.57)
	<b>Total</b>	<b>3.69</b>	<b>14.69</b>

**General Note No.: 29**

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

	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016
Net Profit / (Loss) after tax	42.74	10.08
Number of shares issued	2,07,96,330	2,07,96,330
The Nominal value per equity share (₹)	10	10
Basic/Diluted EPS	0.21	0.05

2. The financial statements are presented in Rs. Lakhs (rounded off to two decimal places) and previous year's figures have been regrouped and reclassified, wherever necessary.

## LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

### 3. Related party disclosure :

List of related parties as identified by the management as under

#### I. Name of related parties and description of relationship

- |  |   |   |
|--|---|---|
| a) Key Management Personnel              | : | 1. Dr. S.K.Sundaramoorthy<br>2. Ms. Sangeetha Sundaramoorthy      |
| b) Relatives of Key Managerial Personnel | : | 1. Dr. Kavetha Sundaramoorthy<br>2. Mr. Rajkumar Sundaramoorthy   |
| c) Other related parties                 | : | 1. Lotus Vision Research Trust<br>2. Asean Optics Private Limited |

#### II. Related party transactions

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	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Lease rent paid:						
i) Dr.S.K.Sundaramoorthy	14.94	19.92	Nil	Nil	14.94	19.92
ii) Lotus Vision Research Trust	Nil	Nil	8.00	9.60	8.00	9.60
Lease rent received:						
i) Lotus Vision Research Trust	Nil	Nil	1.95	1.14	1.95	1.14
Remuneration:						
i) Dr.S.K.Sundaramoorthy	42.00	42.00	Nil	Nil	42.00	42.00
ii) Ms. Sangeetha Sundaramoorthy	4.80	2.80	Nil	Nil	4.80	2.80
iii) Mr. Rajkumar Sundaramoorthy	Nil	Nil	4.05	Nil	4.05	Nil
Others	Nil	Nil	Nil	Nil	Nil	Nil

4. Board recommended a dividend of 5% (Re. 0.50 per share) on the paid up equity shares for the financial year 2016-17.

5. Amount of contribution to employee's provident fund during the year is Rs. 43.74 Lakhs (Previous year Rs.31.63 lakhs).

6. The company has not entered into any derivative transactions during the year under report. (Previous Year: Nil)

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

#### 8. 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.

9. During the year there is no impairment of assets as certified by the management. (previous Year: Nil)

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

#### 11. Expenditure on Foreign exchange

	2016-17	2015-16
i. CIF value of imports		
a. Capital goods	-	-
b. Consumable and spares	Rs.74.94 Lakhs	Rs.48.18 Lakhs
ii. Earnings in foreign currency	Nil	Nil
iii. Expenditure in foreign currency	Nil	Nil
iv. Dividend paid in foreign currency	Nil	Nil

12. 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 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016
Present value of the obligation as at the beginning of the period	39,15,384	31,18,491
Interest cost	2,84,628	2,43,242
Current service cost	7,30,680	6,34,160
Past service cost – (non vested benefits)	-	-
Past service cost – (vested benefits)	-	-
Benefits paid	(1,38,115)	-
Actuarial loss / (gain) on obligation (balancing figure)	1,66,295	(80,509)
PVO as at the end of the period	49,58,872	39,15,384
<b>B. Change in the fair value of plan assets – Reconciliation of opening and closing balances:</b>		
Fair value of plan assets as at the beginning of the period	-	-
Expected return on plan assets	-	-
Contributions	1,38,115	-
Benefits paid	(1,38,115)	-
Actuarial gain / (loss) on plan assets (balancing figure)	-	-
Fair value of plan assets as at the end of the period	-	-
<b>C. Actual return on plan assets</b>		
Expected return on plan assets	-	-
Actuarial gain / (loss) on plan assets	-	-
Actual return on plan assets	-	-
<b>D. Actuarial gain / (loss) recognized</b>		
Actuarial gain / (loss) for the period – Obligation	(1,66,295)	80,509
Actuarial gain / (loss) for the period – Plan Assets	-	-
Total (gain) / loss for the period	1,66,295	(80,509)
Actuarial (gain) / loss recognized in the period	1,66,295	(80,509)
Unrecognized actuarial (gain) / loss at the end of the year	-	-
<b>E. Amounts recognized in the Balance Sheet and related analysis</b>		
Present value of the obligation	49,58,872	39,15,384
Fair value of plan assets	-	-
Difference	49,58,872	39,15,384
Unrecognized transitional liability	-	-
Unrecognized past service cost – non vested benefits	-	-
Liability recognized in the balance sheet	49,58,872	39,15,384
<b>F. Expenses recognized in the statement of Profit and Loss:</b>		
Current service cost	7,30,680	6,34,160
Interest cost	2,84,628	2,43,242
Expected return on plan assets	-	-
Net actuarial (gain) / loss recognized in the year	1,66,295	(80,509)
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	11,81,603	7,96,893

<b>G. Movements in the liability recognized in the balance sheet</b>		
Opening net liability	39,15,384	31,18,491
Expenses as above	11,81,603	7,96,893
Contribution paid	(1,38,115)	-
Closing net liability	49,58,872	39,15,384
<b>H. Amount for the current period</b>		
Present value of obligation	49,58,872	39,15,384
Plan assets	-	-
Surplus / (Deficit)	(49,58,872)	(39,15,384)
Experience adjustments on plan liabilities – (loss) / gain	(81,317)	1,13,692
<b>I. Principal Actuarial assumptions (Expressed as weighted averages)</b>		
Discount rate	6.60%	7.40%
Salary escalation rate	10.00%	10.00%
Attrition rate	41.00%	41.00%
Expected rate of return on plan assets	0.00%	0.00%
<b>J. Major categories of plan assets as percentage of total plan assets</b>		
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%
<b>Total</b>	<b>0.00%</b>	<b>0.00%</b>

Note: 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.

### 13. Disclosure on Specified Bank Notes

During the year ended 31<sup>st</sup> March, 2017, the company had Specified Bank Notes (SBN's) or other denomination notes as defined in the MCA notification, G.S.R. 308 (E), dated 30th March, 2017.

The details of Specified Bank Notes held and transacted during the period from November 8,2016 to December 30,2016, the denomination-wise SBN's and other notes as per the notification are as follows :

Particulars	SBN's (#)	Other denomination notes	Total
Closing cash in hand as on November 8,2016	13,57,500	52,957	14,10,457
Add : Permitted receipts	11,02,500	1,43,14,625	1,54,18,125
Add : Non permitted receipts	78,77,000	Nil	78,77,000
Less : Permitted payments	Nil	Nil	Nil
Less : Amount deposited in Banks	1,03,37,000	1,38,45,605	2,41,82,605
Closing cash in hand as on December 30, 2016	Nil	5,22,977	5,22,977

# For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs Number S.O.3407(E), dated November 8, 2016.

<p><b>As per our Report of even date attached</b></p> <p>For <b>VE KAM AND ASSOCIATES</b> Chartered Accountants Firm Registration No: 05256S</p> <p>(Sd.) <b>CA M.P. Panneerselvan</b> Partner Membership No. 026129</p> <p>Place : Coimbatore Date : 27<sup>th</sup> May, 2017</p>	<p><b>For and on behalf of the Board of Directors</b></p> <p>(Sd.) <b>Dr. S.K. Sundaramoorthy</b> Chairman cum Managing Director</p> <p>(Sd.) <b>CA R. Subramanian</b> Director</p> <p>(Sd.) <b>CA S. Saravana Ganesh</b> Chief Financial Officer</p>	<p>(Sd.) <b>Mr. G.R. Karthikeyan</b> Director</p> <p>(Sd.) <b>CA M. Alagiriswamy</b> Director</p> <p>(Sd.) <b>CS Aditya Sharma</b> Company Secretary</p>
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## 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

#### 20<sup>th</sup> ANNUAL GENERAL MEETING

DP ID		Folio No.	
Client ID		No. of Shares	
Name and address of the Shareholder			
Joint holders			
Name of Proxy			

I hereby record my presence at the 20<sup>th</sup> ANNUAL GENERAL MEETING of the Company held on Thursday, 10<sup>th</sup> day of August, 2017 at 2.00 P.M. at Kasthuri Sreenivasan Trust Culture Centre, Avinashi Road, Coimbatore – 641 014

\_\_\_\_\_  
Signature of Shareholder / Joint holders / Proxy

#### 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 2016-17 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 2016-17 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

EVS (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
Monday, 7 <sup>th</sup> August, 2017 (From 10.00 AM)	Wednesday, 9 <sup>th</sup> August, 2017 (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 20<sup>th</sup> Annual General Meeting of the Company, to be held on Thursday, 10<sup>th</sup> day of August, 2017 at 2.00 P.M. at Kasthuri Sreenivasan Trust Culture Centre, Avinashi Road, Coimbatore – 641 014 and at any adjournment thereof in respect of such resolutions as are indicated below:

S.No.	Resolutions	Optional'	
		For	Against
	<b>Ordinary Business</b>		
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2017, including the Balance Sheet as at 31 <sup>st</sup> March, 2017, 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 Dr. Kavetha Sundaramoorthy (holding DIN: 02050806), who retires by rotation and being eligible, offers herself for re-appointment.		
3.	To declare dividend on Equity Shares.		
4.	Appointment of Messers Anbarasu & Jalapathi, Chartered Accountants as Statutory Auditors.		
	<b>Special Business</b>		
5.	Re-appointment of Dr. S.K.Sundaramoorthy (DIN:01582117) as Managing Director of the Company.		

Signed this ..... day of ..... 2017.

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 20<sup>th</sup> 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.
4. It is optional to put a 'X' in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she thinks appropriate.

Affix  
Revenue  
Stamp



**“Tomorrow’s Technology  
Today at Lotus”**



## **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