



Lotus Eye Hospital And Institute Limited

(Formerly Lotus Eye Care Hospital Limited)

CIN NO. : L85110TZ1997PLC007783



770/12, Avinashi Road, Civil Aerodrome Post, Coimbatore - 641 014. Tel : 0422 - 4229900, 4229999 Fax : 0422 - 4229933

R.S. PURAM

155B, East Periasamy Road, Near Chinthamani,
North Coimbatore, R.S. Puram,
Coimbatore -2. Phone : 0422 - 4239900, 4239999

METTUPPALAYAM

No.28, Coimbatore Main Rd.,
Opp. Bus Stand, MTP - 634 301.
Phone : 04254 - 223223, 224224

TIRUPUR

No. 5(2) Gajalakshmi Theatre Road (Backside)
Near Valamathi Bus Stop, Tirupur - 641 601.
Phone : 0421 - 4346060, 4219999

SALEM

86, Brindhavan Road, Fairlands
Salem - 636 004.
Ph. : 0427 - 4219900, 4219999

E-mail : info@lotuseye.org

Website : www.lotuseye.org

8th August, 2017

The Executive Director

Securities and Exchange Board of India

SEBI Bhawan, Plot No. C-4A

G Block, Bandra Kurla Complex

Bandra (East), Mumbai - 400051

Kind Attn.: Mr. Narendra Parakh, Executive Director

Dear Sir,

Sub : Identification of Shell company by MCA

Ref : SEBI Circular No. SEBI/HO/ISD/OW/P/2017/18183 dt. 07.08.2017

With reference to the above, we are shocked to learn that our Company has been included in the list of shell companies and trading has been suspended.

We have never received any kind of intimation as of date seeking for any documents or any kind of explanations in respect of non compliance of statutory requirements. Our company is in full operation and has been complying with various requirements of different statutory authorities and regulators.

For your information, Lotus Eye Hospital and Institute Limited started by Dr. S.K.Sundaramoorthy, one of the leading ophthalmologist of India with a vision to provide quality eye services to the general public at affordable cost, Lotus has originally incorporated as private limited company and later converted to public company and subsequently the shares of the company got listed on NSE and BSE, since its inception company has grown steadily over the period and this year company has planned to declare dividend also.

Further Dr. S.K.Sundaramoorthy and his team of ophthalmic experts, who are highly qualified with vast experience, offer comprehensive eye care to hundreds

Kochi

533/33A-33F, Tejas Tower,
SA Road, Kadavanthara,
Kochi, Kerala - 682 020.
Tel. : 0484 - 2322333, 2322444

Always for you



228, Kunsingal House
Munimurthy Post
Kochi, Kerala - 682 314.
Tel. : 0484 - 2743191, 2743121



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Website : www.lotuseye.org

of patients daily at our state -of-the- art hospitals in Coimbatore, Tirupur, Salem, Mettupalayam and Kochi in South India.

Lotus is known for its excellence in Ophthalmic services with personalized care and is committed to pioneering in the technological revolution in eye care and rendering service to thousands of patients from across the globe to see the world better than ever before.

The Board of the Company appoints Dr. S.K.Sundaramoorthy, Chairman cum Managing Director along with prominent business men and professionals as independent directors.

Under these circumstances, we wish to be advised the reason for inclusion of our company in the list of shell companies and also the reason for which the trading has been suspended.

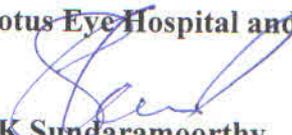
In case you need any specific information we shall be happy to furnish the same and comply with the requirements. We enclose the audited financial statements of the company for the past three years for your immediate perusal.

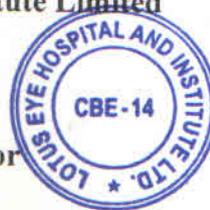
In the interest of the Company and our valued shareholders, we request you to kindly treat this as most urgent and shall be glad to have your feedback in the matter.

Thanking You,

Yours faithfully,

For Lotus Eye Hospital and Institute Limited


Dr. S.K.Sundaramoorthy
Chairman cum Managing Director



Encl.: As above

Kochi

533/33A-33F, Tejas Tower,
SA Road, Kadavanthara,
Kochi, Kerala - 682 020.
Tel. : 0484 - 2322333, 2322444

Kochi

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Kochi, Kerala - 682 314.
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Salem - 636 004.
Ph. : 0427 - 4219900, 4219999

E-mail : info@lotuseye.org

Website : www.lotuseye.org

CC to:

National Stock Exchange of India Ltd.

Listing Department, Exchange Plaza,
5th Floor, Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400051

Scrip Code: LOTUSEYE

BSE Limited

The Corporate Relationship Department
1st Floor, New Trading Wing, Rotunda
Building, Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai - 400001

Scrip Code: 532998

Central Depository Services (India) Ltd.

17th Floor, P J Towers, Dalal Street,
Mumbai - 400001

National Securities Depository Ltd.

Trade World, A Wing, 4th & 5th Floors,
Kamla Mills Compound,
Lower parel, Mumbai - 400 013

Registrar Of Companies, Coimbatore

Stock Exchange Building, II-Floor,
683, Trichy Road, Singanallur,
Coimbatore - 641 005



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LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

(Formerly Lotus Eye Care Hospital Limited)

20th

**ANNUAL REPORT
2016 - 17**





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LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

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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. Kaarthykeyan |
| | - | Dr. Yogesh Shah |
| | - | Mr. G.R. Karthykeyan |
| | - | 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 rd Floor, 1391/A-1, Sathy Road |
| | - | Ganapathy Post, Coimbatore - 641 006 |
| Audit Committee | - | CA R. Subramanian, Chairman |
| | - | Mr. D.R. Kaarthykeyan |
| | - | Ms. Sangeetha Sundaramoorthy |
| | - | Mr. G.R. Karthykeyan |
| | - | CA M. Alagiriswamy |
| Nomination & Remuneration Committee | - | Mr. D.R. Kaarthykeyan, Chairman |
| | - | Dr. S.K. Sundaramoorthy |
| | - | Dr. Yogesh Shah |
| | - | Mr. G.R. Karthykeyan |
| Stakeholders' Relationship Committee | - | CA R. Subramanian, Chairman |
| | - | Mr. D.R. Kaarthykeyan |
| | - | Dr. S.K. Sundaramoorthy |
| | - | CA M. Alagiriswamy |

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 20th Annual General Meeting of LOTUS EYE HOSPITAL AND INSTITUTE LIMITED will be held on Thursday, 10th 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 31st March, 2017, including the Balance Sheet as at 31st 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 20th Annual General Meeting for a term of consecutive five years till conclusion of the 25th 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 1st 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. 1st 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.”

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 : 27th May, 2017

(Sd/-) Aditya Sharma
Company Secretary

NOTES:

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

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in 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 4th August, 2017 to 10th 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 31st March, 2017, as recommended by the Board, if approved at the Annual General Meeting, will be paid on or after Tuesday, 15th 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, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006. Similarly members holding shares in Demat form, shall intimate the change of address, if any, to their respective Depository Participants.
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

kindly write to Company's R & T Agent for nomination forms, which are available on the Company's website (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 20th 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 20th 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 20th 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 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
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 20th 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 7th August, 2017 at 10.00 A.M. and ends on 9th 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 3rd 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 and voted on an earlier voting of any company, then your existing password is to be used.
- viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

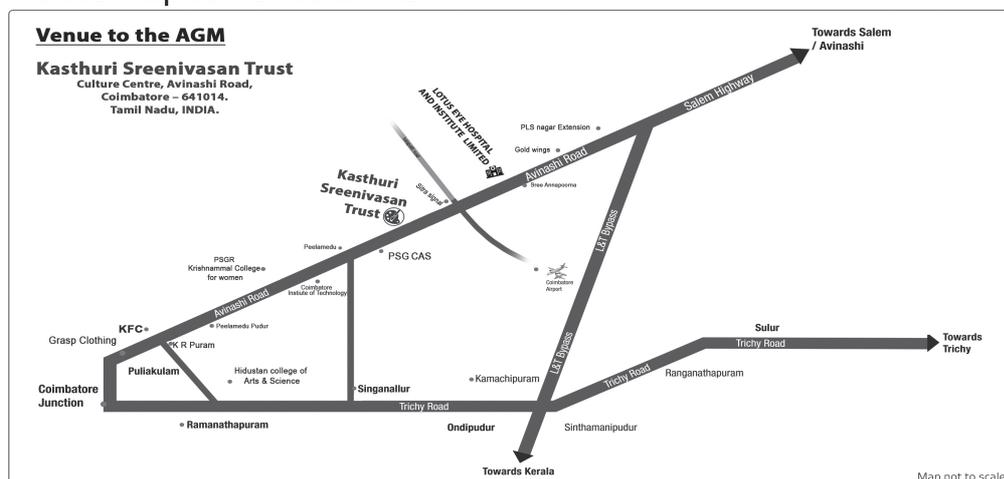
| | |
|-----------------------|---|
| PAN | <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company / Depository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

- 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 and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- 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, under help section or write an email to helpdesk.evoting@cdslindia.com
- VI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date 3rd 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 or info@skdc-consultants.com
- VIII. The scrutiniser shall, after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than 48 hours of conclusion of the meeting, a consolidated scrutiniser’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
- IX. The Chairman or a person authorized by him in writing shall declare the result of the voting forthwith. The results declared along with the scrutiniser’s report shall be placed on the Company’s website www.lotuseye.org immediately after the result is declared by the Chairman and shall be simultaneously communicated to NSE, BSE, NSDL & CDSL.
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 : 27th 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 31st 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 31st 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 1st April, 2017, and fix the remuneration for the period of three years with effect from 1st 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 : 27th 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 | Name of Directors | Dr. S.K. Sundaramoorthy | Dr. Kavetha Sundaramoorthy |
| II | DIN | 01582117 | 02050806 |
| III | Date of Birth | 21.08.1944 | 30.01.1976 |
| IV | Qualification & Brief resume & nature of his/her expertise in specific functional areas | 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 | Disclosure of relationships between directors inter-se | 1. Ms.Sangeetha Sundaramoorthy (Daughter) | 1. Dr. S.K.Sundaramoorthy (Father) |
| | | 2. Dr. Kavetha Sundaramoorthy (Daughter) | 2.Ms. Sangeetha Sundaramoorthy (Sister) |
| VI | Names of listed entities (Other than Lotus) in which the person also holds the directorship and the membership of Committees of the board : | | |
| | 1. Directorship | Nil | Nil |
| | 2. Chairperson of Board Committees | Nil | Nil |
| | 3. Member of Board Committees | Nil | Nil |
| VII | Shareholding (No. of Shares, Percentage) | 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 : 27th 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 20th Annual Report of your Company together with the Audited Accounts for the year ended 31st 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 31st 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 31st 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 31st 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 31st March, 2016 to Rs. 2911.60 Lakhs as on 31st 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.



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 31st January, 2017 for another term of five years with effect from 1st 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 20th 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

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.



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

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 25th 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 : 27th 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 director¹ 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 ² | Chief Financial Officer | Nil |
| 4. | CA S. Saravana Ganesh ³ | Chief Financial Officer | Nil |
| 5. | CS Aditya Sharma ⁴ | 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.



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. 17th January, 2017.
3. CA S. Saravana Ganesh has been appointed as Chief Financial Officer (CFO) w.e.f. 31st January, 2017.
4. CS Aditya Sharma has been appointed as Company Secretary w.e.f. 30th 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).

For and on behalf of the Board

Place : Coimbatore
Date : 27th May, 2017

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

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Annexure - II to Board's Report

SECRETARIAL AUDIT REPORT

Form No. MR-3

For the Financial Year Ended on 31st 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 31st 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 31st 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

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.

P. ESWARAMOORTHY AND COMPANY
Company Secretaries

Place : Coimbatore
Date : 27th May, 2017

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



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.

P. ESWARAMOORTHY AND COMPANY
Company Secretaries

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

Place : Coimbatore
Date : 27th 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 31st 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) | CIN | L85110TZ1997PLC007783 |
| ii) | Registration Date | 14/03/1997 |
| iii) | Name of the Company | LOTUS EYE HOSPITAL AND INSTITUTE LIMITED |
| iv) | Category / Sub-Category of the Company | Company Limited by Shares |
| v) | Address of the registered office and contact details | 770/12, Avinashi Road, Civil Aerodrome Post Coimbatore – 641 014. E-mail : companysecretary@lotuseye.org Website : www.lotuseye.org Phone : 0422-4229900, 4229999 Fax : 0422-4229933 |
| vi) | Whether listed company | Yes |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent | S.K.D.C. Consultants Limited Kanapathy Towers, 3 rd 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 | |
| A (1) Promoters | | | | | | | | | |
| 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 |
| Sub-total (A) (1):- | 11046020 | 200 | 11046220 | 53.116 | 11046020 | 200 | 11046220 | 53.116 | 0.00 |
| (2) Foreign | | | | | | | | | |
| 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 |
| Sub-total (A) (2):- | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Total Shareholdings of Promoter (A) = (A) (1) + (A) (2) | 11046020 | 200 | 11046220 | 53.116 | 11046020 | 200 | 11046220 | 53.116 | 0.00 |
| B. 1. Public Shareholding | | | | | | | | | |
| 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 |
| Sub-total (B)(1): | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| 2. Non-Institutions | | | | | | | | | |
| 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 |
| Sub-total (B)(2): | 9749903 | 207 | 9750110 | 46.884 | 9745983 | 4127 | 9750110 | 46.884 | 0.000 |
| Total Public Shareholdings (B)=(B) (1)+(B) (2) | 9749903 | 207 | 9750110 | 46.884 | 9745983 | 4127 | 9750110 | 46.884 | 0.000 |
| C. Shares held by Custodian for GDRs & ADRs | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Grand Total (A+B+C) | 20795923 | 407 | 20796330 | 100.000 | 20792003 | 4327 | 20796330 | 100.000 | 0.00 |

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 |
| At the beginning of the year | 11046220 | 53.116 | | |
| 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 |
| At the End of the year | | | 11046220 | 53.116 |

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 |
| 1 A.K.S. SARAVANAN | | | | |
| At the beginning of the year | 1019016 | 4.89 | | |
| 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 |
| At the end of the year | | | | 475818 | 2.29 |

2 SANGEETA CHOUDHARY

| | | | | | |
|-------------------------------------|----------|---------------|-------------|---------------|-------------|
| At the beginning of the year | | 693131 | 3.33 | | |
| 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 |
| At the end of the year | | | | 730131 | 3.51 |

3 RAJEEV CHOUDHARY

| | | | | | |
|-------------------------------------|----------|---------------|-------------|---------------|-------------|
| At the beginning of the year | | 439235 | 2.11 | | |
| 28.10.2016 | Sell | 439235 | 2.11 | 0 | 0.00 |
| 28.10.2016 | Purchase | 439235 | 2.11 | 439235 | 2.11 |
| At the end of the year | | | | 439235 | 2.11 |

4 KOVAI PURANI FINANCE PVT. LTD.

| | | | | | |
|-------------------------------------|----------|---------------|-------------|--------|------|
| At the beginning of the year | | 349896 | 1.68 | | |
| 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 |

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

| 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 |
| At the end of the year | | | | 416000 | 2.00 |
| 5. HARISH RAMANAN | | | | | |
| At the beginning of the year | | 120979 | 0.58 | | |
| At the end of the year | | | | 120979 | 0.58 |
| 6. PARAS KANOOGA M | | | | | |
| At the beginning of the year | | 105002 | 0.50 | | |
| 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 |
| At the end of the year | | | | 0 | 0.00 |
| 7. MAGESH KANOOGA S | | | | | |
| At the beginning of the year | | 91561 | 0.44 | | |
| 21.10.2016 | Sell | 67822 | 0.33 | 23739 | 0.11 |
| 28.10.2016 | Sell | 22639 | 0.11 | 1100 | 0.01 |
| At the end of the year | | | | 1100 | 0.01 |
| 8. MAHENDRA GIRDHARILAL | | | | | |
| At the beginning of the year | | 90713 | 0.44 | 90713 | 0.44 |
| At the end of the year | | 0.00 | 0.00 | 90713 | 0.44 |
| 9. SATISH KUMAR | | | | | |
| At the beginning of the year | | 70000 | 0.34 | | |
| At the end of the year | | | | 70000 | 0.34 |
| 10. DEVIKA ANAND | | | | | |
| At the beginning of the year | | 56950 | 0.27 | | |
| 06.01.2017 | Sell | 56950 | 0.27 | 0 | 0.00 |
| At the end of the year | | | | 0 | 0.00 |



| 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 |
| 11. VRAMATH INVESTMENT CONSULTANCY PVT LTD | | | | |
| | At the beginning of the year | 0.00 | | |
| | 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 |
| | At the end of the year | | 1000002 | 4.81 |
| 12. R SRIRAMANAN | | | | |
| | At the beginning of the year | 0.00 | | |
| | 13.01.2017 Purchase | 100000 | 100000 | 0.48 |
| | At the end of the year | | 100000 | 0.48 |
| 13. R CHANDRA MOULI | | | | |
| | At the beginning of the year | 0.00 | | |
| | 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 |
| | At the end of the year | | 95150 | 0.46 |

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

v) Shareholding of Director and Key Managerial Personnel:

| S.No. | Shareholding at the beginning of the year | | Cumulative Shareholding at the end of the year | |
|--|---|----------------------------------|--|----------------------------------|
| | No. of Shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1 Dr. Kaliannagounder Sundaramoorthy, Managing Director | | | | |
| At the beginning of the year | 10599920 | 50.97 | | |
| Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) | Nil | Nil | Nil | Nil |
| At the End of the year | | | 10599920 | 50.97 |
| 2 Dr. Kavetha Sundaramoorthy, Director | | | | |
| At the beginning of the year | 223050 | 1.07 | | |
| Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) | Nil | Nil | Nil | Nil |
| At the End of the year | | | 223050 | 1.07 |
| 3 Ms. Sangeetha Sundaramoorthy, Director | | | | |
| At the beginning of the year | 223050 | 1.07 | | |
| Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) | Nil | Nil | Nil | Nil |
| At the End of the year | | | 223050 | 1.07 |
| 4 Mr. M. Venkatachalapathi, Chief Financial Officer (CFO)* | | | | |
| At the beginning of the year | Nil | Nil | | |
| Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) | Nil | Nil | Nil | Nil |
| At the End of the year | | | Nil | Nil |
| 5 CA S. Saravana Ganesh, Chief Financial Officer (CFO)[§] | | | | |
| At the beginning of the year | Nil | Nil | | |
| Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) | Nil | Nil | Nil | Nil |
| At the End of the year | | | Nil | Nil |
| 6 CS Aditya Sharma, Company Secretary (CS)[‡] | | | | |
| At the beginning of the year | Nil | Nil | | |
| Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc) | Nil | Nil | Nil | Nil |
| At the End of the year | | | Nil | Nil |

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

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

‡ CS Aditya Sharma has been appointed as Company Secretary (CS) w.e.f. 30th 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 |
|--|-------------------------------------|------------------|------------|-----------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 66.37 | Nil | Nil | 66.37 |
| ii) Interest due but not paid | Nil | Nil | Nil | Nil |
| iii) Interest accrued but not due | Nil | Nil | Nil | Nil |
| Total (i + ii + iii) | 66.37 | Nil | Nil | 66.37 |
| Change in Indebtedness during the financial year | | | | |
| Addition | Nil | Nil | Nil | Nil |
| Reduction | 18.41 | Nil | Nil | 18.41 |
| Net Change of Indebtedness | 18.41 | Nil | Nil | 18.41 |
| At the end of the financial year | | | | |
| 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 |
| Total (i + ii + iii) | 47.96 | Nil | Nil | 47.96 |

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 |
| | Total (A) | 42.00 | 4.80 | 46.80 |
| Ceiling as per the Act | | | | |
| 1. | In case of adequate Profit | 10% of the Net Profit | 10% of the Net Profit | 10% of the Net Profit |
| 2. | In case of no Profit or inadequate Profit | 84.00 | 84.00 | 168.00 |
| Plus contribution to Provident Fund, Superannuation, Gratuity and encashment of leave to the extent permitted under the Act | | | | |

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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 |
| | Total (1) | 0.25 | Nil | 0.50 | 0.60 | 0.30 | 0.40 | 2.05 |
| 2. | Other Non-Executive Directors | | | | | | | |
| | Dr. Kavetha Sundaramoorthy | | | | | | | |
| | Fee for attending Board / Committee Meetings | Nil | | | | | | Nil |
| | Commission | Nil | | | | | | Nil |
| | Others, please specify | Nil | | | | | | Nil |
| | Total (2) | 0.00 | | | | | | 0.00 |
| | Total = (1+2) | 0.25 | Nil | 0.50 | 0.60 | 0.30 | 0.40 | 2.05 |
| | Total Managerial Remuneration | | | | | | | 2.05 |
| | 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 [§] | CS [†] | |
| | | 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 |
| | Total (A) | 5.81 | 1.92 | 3.84 | 11.57 |

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

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

† CS Aditya Sharma has been appointed as Company Secretary (CS) w.e.f. 30th 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 : 27th 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.

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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.

For and on behalf of the Board

Place : Coimbatore

Date : 27th 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 31st 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.

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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 30th May, 2016, 13th August, 2016, 14th November, 2016 and 31st 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 1st April, 2016 to 31st 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 30th May, 2016, 13th August, 2016, 14th November, 2016 and 31st 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 30th May, 2016, 14th November, 2016 and 31st 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 ^s | 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. 30th 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.

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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 31st 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 | 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 |
| | Total (A) | 42.00 | 4.80 | 46.80 |

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 | |
| Total | 2.05 | |

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 31st 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 th 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 th AGM | 28.09.15 – 3.00 P.M | Registered Office at SF No.770/12, Avinashi Road, Civil Aerodrome Post, Coimbatore – 641 014. | No |
| 2013 - 14 | 17 th AGM | 24.09.14 – 3.00 P.M | Registered Office at SF No.770/12, Avinashi Road, Civil Aerodrome Post, Coimbatore – 641 014. | Yes |

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.

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.

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 : 10th 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** : 1st April to 31st March
- c) **Date of Book Closure** : 4th August, 2017 to 10th August, 2017 (both days inclusive)
- d) **Date of payment of Dividend** : On or after 10th 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, 3rd 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.

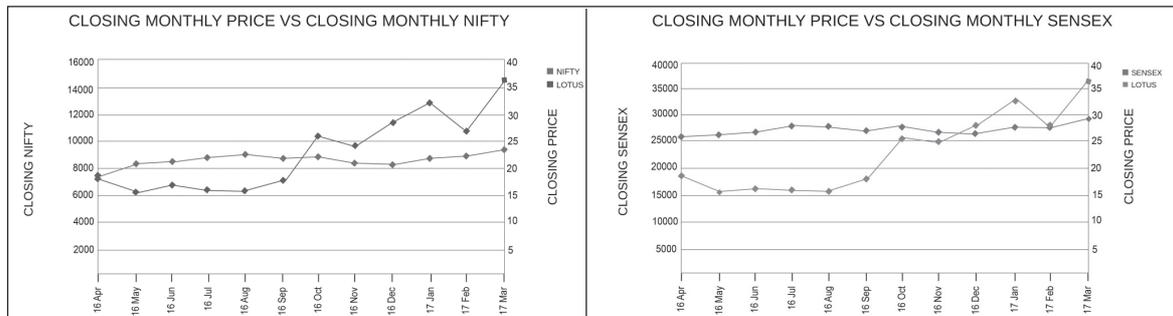
k) Market Price Data:

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, 3rd Floor,
 1391/A-1, Sathy Road,
 Ganapathy, Coimbatore - 641 006.
 Tel. No. : 0422-6549995, 2539835
 Fax No. : 0422-2539837
 E-mail. info@skdc-consultants.com

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 |
| | Total | 7882 | 20796330 | 100.00 |

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 |
| Total | 7882 | 20796330 | 100.00 |

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 31st 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 31st 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 31st 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 31st March, 2017.

For and on behalf of the Board

Place : Coimbatore

Date : 27th May, 2017

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

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

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 31st 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.

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

Place : Coimbatore
Date : 27th May, 2017

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



CEO / CFO CERTIFICATION

To

The Board of Directors
Lotus Eye Hospital and Institute Limited

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

We hereby certify that:

- a) We have reviewed the financial statements for the year ended 31st March 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.

For and on behalf of the Board

Place : Coimbatore
Date : 27th May, 2017

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

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

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

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>)

POLICY ON BOARD DIVERSITY

Key Highlights:

1. PURPOSE

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

2. VISION

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

3. POLICY STATEMENT

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

4. REVIEW OF THE POLICY

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

5. DISCLOSURE OF THE POLICY

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

For and on behalf of the Board

Place : Coimbatore
Date : 27th 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 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th 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 : 27th May, 2017

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" in the Independent Auditors' report of even date to the members of **LOTUS EYE HOSPITAL AND INSTITUTE LIMITED** (Formerly Lotus Eye Care Hospital Limited) on the financial statements for the year ended 31st March, 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 **VEKAM AND ASSOCIATES**
Chartered Accountants
Firm Registration No: 05256S

Place : Coimbatore
Date : 27th May, 2017

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



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 31st 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

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 31st 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.

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

Place : Coimbatore
Date : 27th May, 2017

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


Balance Sheet as at 31st March, 2017
(₹ in Lakhs)

| Particulars | Note No. | As at 31 st March, 2017 | As at 31 st March, 2016 |
|------------------------------------|----------|------------------------------------|------------------------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 2 | 2,079.63 | 2,079.63 |
| (b) Reserves and Surplus | 3 | 2,911.60 | 2,868.85 |
| (2) Non-Current Liabilities | | | |
| (a) Long-Term Borrowings | 4 | 29.59 | 47.90 |
| (b) Long-Term Provisions | 5 | 37.77 | 31.19 |
| (3) Current Liabilities | | | |
| (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 |
| TOTAL | | 5,479.55 | 5,482.88 |
| II. ASSETS | | | |
| (1) Non-Current Assets | | | |
| (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 |
| | | 4,197.39 | 4,399.27 |
| (b) Deferred Tax Asset (Net) | 10 | 19.62 | 15.32 |
| (c) Long term loans and advances | 11 | 427.12 | 440.01 |
| (2) Current Assets | | | |
| (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 | - |
| TOTAL | | 5,479.55 | 5,482.88 |

Significant Accounting Policies & 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 : 27th 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 31st March, 2017

(₹ in Lakhs)

| Particulars | Note No. | Year ended 31 st March, 2017 | Year ended 31 st March, 2016 |
|--|----------|--|--|
| INCOME: | | | |
| Revenue from operations | 17 | 3,396.47 | 3,113.22 |
| Other Income | 18 | 71.37 | 57.36 |
| TOTAL REVENUE | | 3,467.84 | 3,170.58 |
| EXPENSES: | | | |
| 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 |
| TOTAL EXPENSES | | 3,424.45 | 3,173.56 |
| Profit / (Loss) before Tax and Exceptional item | | 43.39 | (2.98) |
| Exceptional Items | | | |
| Profits / (Loss) on Sale of Fixed Assets | 27 | (3.22) | 0.79 |
| Depreciation Withdrawn | | - | 0.14 |
| Profit / (Loss) Before Tax | | 40.17 | (2.05) |
| Tax Expenses | | | |
| 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) |
| Profit / (Loss) for the year | | 42.74 | 10.08 |
| Earning per equity share: | | | |
| 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 : 27th 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 31st March, 2017
(₹ in Lakhs)

| Particulars | Year ended 31 st March, 2017 | Year ended 31 st March, 2016 |
|---|--|--|
| A) CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit / Loss Before Tax and after Extraordinary Items | 40.17 | (2.05) |
| ADJUSTMENTS FOR: | | |
| 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 |
| Operating profit before working capital changes | 357.85 | 423.11 |
| ADJUSTMENTS FOR: | | |
| (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 |
| Cash Generated From (Used in) Operating Activities | 374.04 | 338.27 |
| Tax Paid | (1.73) | - |
| Net Cash Generated from / (used in) Operating Activities | 372.31 | 338.27 |
| B) CASH FLOW FROM INVESTMENT ACTIVITIES | | |
| 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 |
| Net Cash Generated from (Used in) Investing Activities | (109.37) | (84.70) |
| C) CASH FLOW FROM FINANCING ACTIVITIES | | |
| 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) |
| Net Cash From / (Used in) Financing Activities | (11.84) | (57.75) |
| (Increase) / Decrease In Cash and Cash Equivalents | 251.10 | 195.82 |
| Cash and Cash Equivalents at the Beginning of the Year | 247.37 | 51.55 |
| Cash and Cash Equivalents at the End of the Year | 498.47 | 247.37 |
| 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 : 27th 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

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 |
| 1. | Authorised Capital | | |
| | 2,50,00,000 Equity Shares of ₹ 10/- each. | 2,500.00 | 2,500.00 |
| | | 2,500.00 | 2,500.00 |
| 2. | Issued, Subscribed & Paid up capital | | |
| | 2,07,96,330 Equity Shares of ₹ 10/- each | 2,079.63 | 2,079.63 |
| | Total | 2,079.63 | 2,079.63 |

- 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 | | |
| | Total (A + B) | | 2,911.60 | 2,868.85 | | |

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

b. Utilization of Initial Public Offer (IPO) funds up to 31st March, 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. | Term Loan | | |
| | From Bank | | |
| | HDFC Bank Ltd | 29.59 | 47.90 |
| | Total | 29.59 | 47.90 |

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 |
| | Total | 37.77 | 31.19 |

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 |
| | Total | 259.75 | 259.50 |

- 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 | - |
| Total | | 117.86 | 169.89 |

- 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 | Provision for employee benefits | | |
| | 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 |
| Total | | 43.35 | 25.92 |



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 |
| | Total | 19.62 | 15.32 |

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 |
|---------|---|------------------|------------------|
| | Unsecured, Considered Good | | |
| 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 | - |
| | Total | 427.12 | 440.01 |

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 |
| | Total | 179.83 | 278.13 |

- 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 | Outstanding for more than six months | | |
| | a) Unsecured, Considered Good | 12.25 | 1.02 |
| 2 | Other | | |
| | a) Unsecured, Considered Good | 56.06 | 49.92 |
| | Total | 68.31 | 50.94 |

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Note No. 14 Cash & Cash Equivalents

(₹ in Lakhs)

| Sl. No. | Particulars | | Year ended 31 st March, 2017 | Year ended 31 st 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 |
| | Total | A + B | 498.47 | 247.37 |

Note No. 15 Short Term Loans and Advances

| Sl. No. | Particulars | | As at 31.03.2017 | As at 31.03.2016 |
|---------|-----------------------------------|--|---------------------|---------------------|
| | Unsecured, Considered Good | | | |
| 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 |
| | Total | | 70.81 | 51.85 |

Note No. 16 Other Current Assets

| Sl. No. | Particulars | | Year ended 31 st March, 2017 | Year ended 31 st March, 2016 |
|---------|------------------------------------|--|--|--|
| | Insurance claims receivable | | | |
| a) | United India Insurance Co. | | 18.00 | - |
| | Total | | 18.00 | - |

Note No. 17 Revenue from Operations

| Sl. No. | Particulars | | Year ended 31 st March, 2017 | Year ended 31 st 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 |
| | Total | | 3,396.47 | 3,113.22 |

Note No. 18 Other Income

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


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

| Sl. No. | Particulars | Year ended 31 st March, 2017 | Year ended 31 st 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 |
| | Total | 477.10 | 351.38 |

Note No. 20 Purchase of Stock in Trade

| Sl. No. | Particulars | Year ended 31 st March, 2017 | Year ended 31 st 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 |
| | Total | 550.24 | 488.92 |

Note No. 21 Service Expenses

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

Note No. 22 Changes in Inventories

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

Note No. 23 Employment Benefit Expenses

| Sl. No. | Particulars | Year ended 31 st March, 2017 | Year ended 31 st 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 |
| | Total | 745.29 | 624.82 |

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Note No. 24 Finance Cost

(₹ in Lakhs)

| Sl. No. | Particulars | Year ended 31 st March, 2017 | Year ended 31 st March, 2016 |
|---------|-----------------------|--|--|
| 1 | Interest on Car loan | 0.12 | 0.37 |
| 2 | Interest on Term loan | 6.31 | 7.96 |
| | Total | 6.43 | 8.33 |

Note No. 25 Depreciation & Amortised Cost

| Sl. No. | Particulars | Year ended 31 st March, 2017 | Year ended 31 st 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 |
| | Total | 344.12 | 443.54 |

Note No. 26 Other Expenses

| Sl. No. | Particulars | Year ended 31 st March, 2017 | Year ended 31 st 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 |
| | Total | 683.43 | 647.84 |



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 st March, 2017 | Year ended 31 st March, 2016 |
|---------|---|--|--|
| 1. | Contingent Liabilities | | |
| a) | On account of Pending Litigations Sales Tax Matters (along with Interest & Penalty if any) | 31.39 | 7.10 |
| | Total | 31.39 | 7.10 |

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

| Sl. No. | Particulars | Year ended 31 st March, 2017 | Year ended 31 st 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 |
| | Total | 4.72 | 3.98 |

Prior Period Expenses / Incomes includes

| Sl. No. | Particulars | Year ended 31 st March, 2017 | Year ended 31 st 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) |
| | Total | 3.69 | 14.69 |

General Note No.: 29

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

| | 31 st March, 2017 | 31 st 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 2. Ms. Sangeetha Sundaramoorthy |
| b) Relatives of Key Managerial Personnel | : | 1. Dr. Kavetha Sundaramoorthy 2. Mr. Rajkumar Sundaramoorthy |
| c) Other related parties | : | 1. Lotus Vision Research Trust 2. Asean Optics Private Limited |

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 st March, 2017 | 31 st 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. Change in the fair value of plan assets – Reconciliation of opening and closing balances: | | |
| Fair value of plan assets as at the beginning of the period | - | - |
| Expected return on plan assets | - | - |
| Contributions | 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 | - | - |
| C. Actual return on plan assets | | |
| Expected return on plan assets | - | - |
| Actuarial gain / (loss) on plan assets | - | - |
| Actual return on plan assets | - | - |
| D. Actuarial gain / (loss) recognized | | |
| Actuarial gain / (loss) for the period – Obligation | (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 | - | - |
| E. Amounts recognized in the Balance Sheet and related analysis | | |
| 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 |
| F. Expenses recognized in the statement of Profit and Loss: | | |
| 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 |

| | | |
|--|--------------|--------------|
| G. Movements in the liability recognized in the balance sheet | | |
| 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 |
| H. Amount for the current period | | |
| 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 |
| I. Principal Actuarial assumptions (Expressed as weighted averages) | | |
| 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% |
| J. Major categories of plan assets as percentage of total plan assets | | |
| Government of India Securities | 0.00% | 0.00% |
| State Government Securities | 0.00% | 0.00% |
| High Quality Corporate Bonds | 0.00% | 0.00% |
| Equity Shares of listed Companies | 0.00% | 0.00% |
| Property | 0.00% | 0.00% |
| Insurer managed | 0.00% | 0.00% |
| Mutual Funds | 0.00% | 0.00% |
| Bank Deposits | 0.00% | 0.00% |
| Total | 0.00% | 0.00% |

Note: 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 31st 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>As per our Report of even date attached</p> <p>For VE KAM AND ASSOCIATES Chartered Accountants Firm Registration No: 05256S</p> <p>(Sd.) CA M.P. Panneerselvan Partner Membership No. 026129</p> <p>Place : Coimbatore Date : 27th May, 2017</p> | <p>For and on behalf of the Board of Directors</p> <p>(Sd.) Dr. S.K. Sundaramoorthy Chairman cum Managing Director</p> <p>(Sd.) CA R. Subramanian Director</p> <p>(Sd.) CA S. Saravana Ganesh Chief Financial Officer</p> | <p>(Sd.) Mr. G.R. Karthikeyan Director</p> <p>(Sd.) CA M. Alagiriswamy Director</p> <p>(Sd.) CS Aditya Sharma Company Secretary</p> |
|---|---|--|



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

20th 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 20th ANNUAL GENERAL MEETING of the Company held on Thursday, 10th 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 th August, 2017 (From 10.00 AM) | Wednesday, 9 th 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 20th Annual General Meeting of the Company, to be held on Thursday, 10th 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 |
| | Ordinary Business | | |
| 1. | To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31 st March, 2017, including the Balance Sheet as at 31 st 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. | | |
| | Special Business | | |
| 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 20th 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

LOTUS



19th
ANNUAL REPORT
2015 - 16

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



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LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

(Formerly Lotus Eye Care Hospital Limited)

CIN : L85110TZ1997PLC007783

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

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

Phone : 0422 4229900 Fax : 0422 4229933

Board of Directors

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

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

NOTICE TO SHAREHOLDERS

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

ORDINARY BUSINESS:

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

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

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

SPECIAL BUSINESS:

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

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

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

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

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

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

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

Place : Coimbatore
Date : 30th May, 2016

(Sd/-) Aditya Sharma
Company Secretary

NOTES:

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

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

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

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

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

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

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

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

For Members holding shares in Demat Form and Physical Form

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

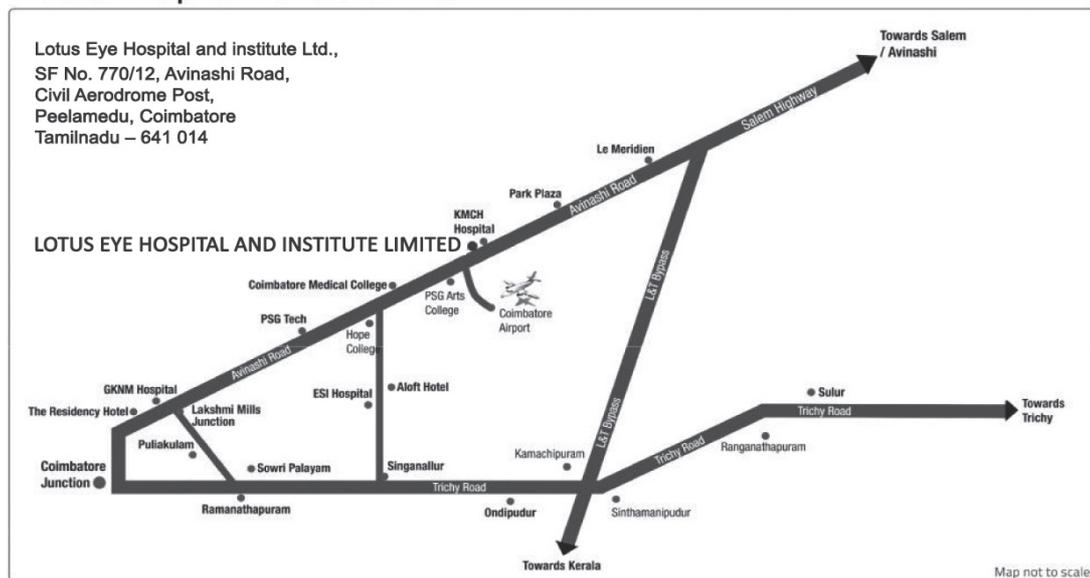
- ix) After entering these details appropriately, click on "SUBMIT" tab.
- x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter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

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

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

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

Route Map to venue of AGM



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

Place : Coimbatore
Date : 30th May, 2016

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

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

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

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

Item No. 4

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

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

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

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

MEMORANDUM OF INTEREST

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

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

Item No. 5

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

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

MEMORANDUM OF INTEREST

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

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

Place : Coimbatore
Date : 30th May, 2016

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

(Sd/-) Aditya Sharma
Company Secretary



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

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

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

Place : Coimbatore
Date : 30th May, 2016

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

(Sd/-) Aditya Sharma
Company Secretary

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Directors' Report

Dear Shareholders,

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

FINANCIAL RESULTS

(₹ in Lakhs)

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

REVIEW OF OPERATIONS AND PERFORMANCE:

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

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

DIVIDEND:

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

SHARE CAPITAL:

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

FINANCE:

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

TRANSFER TO RESERVE:

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

DEPOSITS:

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

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



OUTLOOK FOR THE CURRENT YEAR:

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

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

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

CORPORATE SOCIAL RESPONSIBILITIES:

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

DIRECTORS:

Appointment:

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

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

Directors retiring by rotation:

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

Information regarding the Directors seeking appointment/ re-appointment:

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

Declaration by Independent Directors:

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

Familiarisation Programme:

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

Statutory Disclosure:

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

BOARD EVALUATION:

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

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

The criteria for performance evaluation are as under:

Performance Evaluation of Board:

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

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

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

Self Assessment of the Performance by the Board Level Committees:

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

The Directors have expressed their satisfaction with the evaluation process.

REMUNERATION POLICY:

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

MEETINGS:

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

COMMITTEES OF THE BOARD:

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

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



RELATED PARTY TRANSACTIONS:

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

INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY:

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

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

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

SUBSIDIARY COMPANIES:

The Company does not have any subsidiary company.

CHANGE IN NATURE OF BUSINESS, IF ANY:

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

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

CODE OF CONDUCT:

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

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

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

KEY MANAGERIAL PERSONNEL

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

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

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

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

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

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

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

PREVENTION OF INSIDER TRADING:

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

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

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

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

AUDITOR'S REPORT:

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

AUDITORS:

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

INTERNAL AUDITORS:

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

SECRETARIAL AUDIT/AUDITORS:

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

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

EXTRACT OF ANNUAL RETURN:

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

BUSINESS RISK MANAGEMENT:

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

PARTICULARS OF EMPLOYEES:

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



CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS:

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

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

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

a) Conservation of Energy:

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

b) Technology Absorption:

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

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

| | |
|----------|-------|
| Earnings | Nil |
| Outgo | 48.18 |

ACKNOWLEDGEMENTS:

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

For and on behalf of the Board

Place : Coimbatore
Date : 30th May, 2016

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

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Annexure-I to Boards' Report

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

(₹ in Lakhs)

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

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

Notes:

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

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

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

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Annexure-II to Board's Report

SECRETARIAL AUDIT REPORT

Form No. MR-3

For the Financial Year Ended on 31st March, 2016

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

To

The Members

Lotus Eye Hospital and Institute Limited

CIN : L85110TZ1997PLC007783

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

Civil Aerodrome Post

Coimbatore – 641 014

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

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

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

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

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

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

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

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

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

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

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

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

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

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

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

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

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

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

Place : Coimbatore
Date : 30th May, 2016

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



ANNEXURE 'A' TO SECRETARIAL AUDIT REPORT

To

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

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

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

Place : Coimbatore
Date : 30th May, 2016

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

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Annexure-III to Boards' Report

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

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



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

i) Category-wise Share Holding

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

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 | | | |
|----------------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
| | No. of Shares | % of total shares of the Company | % of shares Pledged / encumbered to total shares | No. of Shares | % of total shares of the Company | % of shares Pledged / encumbered to total shares | % change in share holding during the year |
| 1 Kaliannagounder Sundaramoorthy | 10599897 | 50.97 | Nil | 10599920 | 50.97 | 0.00 | 0.00 |
| 2 Dr. Kavetha Sundaramoorthy | 223050 | 1.07 | Nil | 223050 | 1.07 | 0.00 | 0.00 |
| 3 Ms. Sangeetha Sundaramoorthy | 223050 | 1.07 | Nil | 223050 | 1.07 | 0.00 | 0.00 |
| 4 S.A. Karuppasamy | 100 | Nil | Nil | 100 | Nil | Nil | Nil |
| 5 V. Saroja | 100 | Nil | Nil | 100 | Nil | Nil | Nil |

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

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

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

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



02 Ms. SANGEETA CHOUDHARY

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

03 Dr. RAJEEV CHOUDHARY

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

04 KOVAI PURANI FINANCE PVT. LTD.

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

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

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



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

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

V. **INDEBTEDNESS (₹ in Lakhs)**

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

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

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

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

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

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



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

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

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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Annexure-IV to Boards' Report

Management Discussion and Analysis:

Indian Macroeconomic

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

Industry Structure and Development

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

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

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

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

Opportunities and Threats

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

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

Segment-wise or product-wise performance

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

Sector Outlook

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

Risks and concerns

i) Competition

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



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

ii) Shortage of skilled manpower

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

iii) Investment

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

iv) Regulatory Risk

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

Internal control systems and their adequacy

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

Discussion on financial performance with respect to operational performance

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

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

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

Cautionary Statement

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

For and on behalf of the Board

Place : Coimbatore
Date : 30th May, 2016

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

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Annexure-V to Boards' Report

REPORT ON CORPORATE GOVERNANCE

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

Introduction

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

Date of Report

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

1. The Company's philosophy on Corporate Governance

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

2. Board of Directors

Composition

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

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



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

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

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

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

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

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

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

Meetings

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

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

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

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

Familiarisation Programme

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

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

3. Audit Committee

Terms of Reference

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

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

Composition & Meetings:

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

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

Composition of Audit Committee is as follows:

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

4. Nomination and Remuneration Committee

Terms of Reference

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

The broad terms of reference of the Committee includes:

- 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;
- Evaluation of performance of all Directors.

Composition & Meetings:

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

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

Composition of Nomination and Remuneration Committee is as follows :

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

Performance Evaluation Criteria for Independent Directors

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

5. Remuneration Policy

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

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

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

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

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

6. Stakeholders Relationship Committee

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

There was no meeting held during the year under review.

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

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

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

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7. Annual General Meeting

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

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

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

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

8. Means of Communication

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

9. General Shareholders Information

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



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

j) Market Price Data:

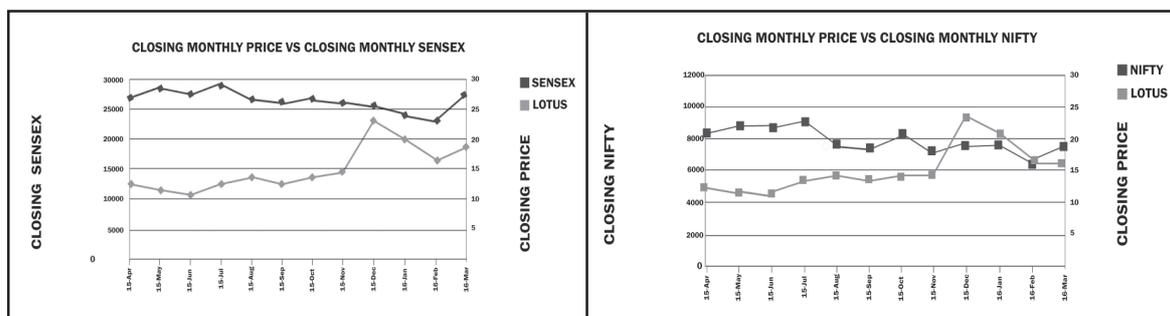
Monthly High & Low Prices of shares traded on BSE & NSE for the period from April 2014 to March 2015 (Shares listed on 11.07.2008)

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

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

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

CLOSING MONTHLY PRICE VS CLOSING MONTHLY SENSEX AND NIFTY



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

m) Share Transfer System

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

n) Category of Shareholder & Distribution of Shareholding

i) Categories of Shareholders as on 31.03.2016

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



ii) Distribution of Shareholding as on 31.03.2016

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

o) Dematerialization of Shares:

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

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

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

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

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

10. Other Disclosures:

a) Related Party Transactions

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

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

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

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

b) Compliance by the Company

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

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

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

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

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

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

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

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

e) Accounting Treatment

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

f) Risk Management

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

g) Insider Trading Policy

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

h) CEO / CFO Certification

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

i) Code of Conduct

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

j) Compliance with Corporate Governance Norms

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

k) Management

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

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

To

The Members of Lotus Eye Hospital and Institute Limited

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

For and on behalf of the Board

Place : Coimbatore

Date : 30th May, 2016

(Sd.) S.K. Sundaramoorthy

Chairman cum Managing Director



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

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

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

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

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

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

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

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

Place : Coimbatore
Date : 30th May, 2016

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

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

CEO / CFO CERTIFICATION

To

The Board of Directors
Lotus Eye Hospital and Institute Limited

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

We hereby certify that:

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

For and on behalf of the Board

Place : Coimbatore
Date : 30th May, 2016

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

(Sd.) CA M. Venkatachalapathi
Chief Financial Officer

Annexure-VI to Boards' Report

NOMINATION & REMUNERATION POLICY

Key Highlights

1. Preamble

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

2. Objectives

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

3. Principles of Remuneration

Support for Strategic Objectives, Transparency and Affordability and Sustainability

4. Procedure for selection and appointment

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

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

5. Compensation Structure

5.1 Remuneration to Non-Executive Directors:

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

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

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

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

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

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

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

POLICY ON BOARD DIVERSITY

Key Highlights:

1. PURPOSE

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

2. VISION

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

3. POLICY STATEMENT

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

4. REVIEW OF THE POLICY

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

5. DISCLOSURE OF THE POLICY

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

For and on behalf of the Board

Place : Coimbatore
Date : 30th May, 2016

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



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

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

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

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

Place : Coimbatore
Date : 30th May, 2016

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

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

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

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

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



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

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

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

Place : Coimbatore
Date : 30th May, 2016

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

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

ANNEXURE 'B' TO INDEPENDENT AUDITORS' REPORT

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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



Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For V E K A M AND ASSOCIATES

Chartered Accountants
Firm Registration No: 052565

Place : Coimbatore
Date : 30th May, 2016

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

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Balance Sheet as at 31st March, 2016

(₹ in Lakhs)

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

Significant Accounting Policies & Notes on Financial Statements 1 to 28

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



Statement of Profit and Loss Account for the year ended 31st March, 2016

(₹ in Lakhs)

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

Significant Accounting policies & Notes on Financial statements 1 to 28

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

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

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

(₹ in Lakhs)

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

As per our Report of even date attached

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

Chartered Accountants

Firm Registration No: 05256S

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

Partner

Membership No. 026129

Place : Coimbatore

Date : 30th May, 2016

For and on behalf of the Board of Directors

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

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

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

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

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



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

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

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

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

b) Use of estimates

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

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

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

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

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

d) Inventories

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

e) Revenue Recognition

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

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

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

f) **Borrowing Cost**

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

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

g) **Lease**

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

h) **Translation of Foreign Currency Transactions:**

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

i) **Retirement Benefits**

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

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

j) **Taxes on Income**

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

k) **Interim Financial Reporting**

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

l) **Impairment of Assets**

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

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

m) **Contingent Liabilities**

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



NOTE No.: 2 SHARE CAPITAL

(₹ in Lakhs)

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

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

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

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

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

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

k) The Company has no stock option plans

Note No. 3 Reserves & Surplus

(₹ in Lakhs)

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

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

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

(₹ in Lakhs)

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



Non-Current Liabilities

Note No. 4 Long Term Borrowings

(₹ in Lakhs)

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

A. Security Particulars of Secured Loans

- 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.
- Loan Obtained from Canara Bank is secured by Vehicle purchased of ₹ 6.80 Lakhs.

Note No. 5 Long Term provisions

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

Current Liabilities

Note No. 6 Trade Payable

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

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

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Note No. 7 Other Current Liabilities

(₹ in Lakhs)

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

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

Note No. 8 Short Term Provisions

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

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

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

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

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

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

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

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

Note No. 11 Long Term Loans and Advances

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

Note No. 12 Inventories

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

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

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

Note No. 13 Trade Receivables

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


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

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

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

Note No. 15 Short Term Loans and Advances

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

Note No. 16 Revenue from Operations

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

Note No. 17 Other Income

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

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Note No. 18 Cost of Material Consumed

(₹ in Lakhs)

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

Note No. 19 Purchase of Stock in Trade

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

Note No. 20 Service Expenses

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

Note No. 21 Changes in Inventories

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

Note No. 22 Employee Benefit Expenses

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


Note No. 23 Financial Cost
(₹ in Lakhs)

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

Note No. 24 Depreciation & Amortised Cost

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

Note No. 25 Other Expenses

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

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Note No.: 26 Exceptional Items

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

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

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

Auditors Remuneration

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

Prior Period Expenses includes

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

General Note No.: 28

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

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

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

3. Related party disclosure :

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

I) Name of related parties and description of relationship

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

II) Related party transaction in 2015-16

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

(₹ in Lakhs)

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

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

Remuneration ₹ 44.80 Lakhs

4. Disclosure regarding lease transactions :

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

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

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

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

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

9. Segment Reporting :

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

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

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

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

i) CIF value of imports

- a) Capital goods
- b) Consumable and spares ₹ 48.18 Lakhs

ii) Earnings in foreign currency NIL

iii) Expenditure in foreign currency - Travel & others NIL

iv) Dividend paid in foreign currency NIL

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

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

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

Defined benefit plan:

(in ₹)

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

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

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

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

C. Actual return on plan assets

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

D. Actuarial gain / loss recognized

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

E. Amounts recognized in the Balance Sheet and related analysis

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



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

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

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



LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

CIN : L85110TZ1997PLC007783

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

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

Phone: 0422 4229900 Fax: 0422 4229933

ATTENDANCE SLIP

19th ANNUAL GENERAL MEETING

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

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

Member's / Proxy's Signature

Note :

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

E-VOTING PARTICULARS

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

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

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

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

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



LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

CIN : L851101997PLC007783

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

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

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

FORM No. MGT-11

PROXY FORM

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

Name of the member(s) :

Registered Address :

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

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

1. Name : Address :

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

2. Name : Address :

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

3. Name : Address :

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

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

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

Signed this day of 2016.

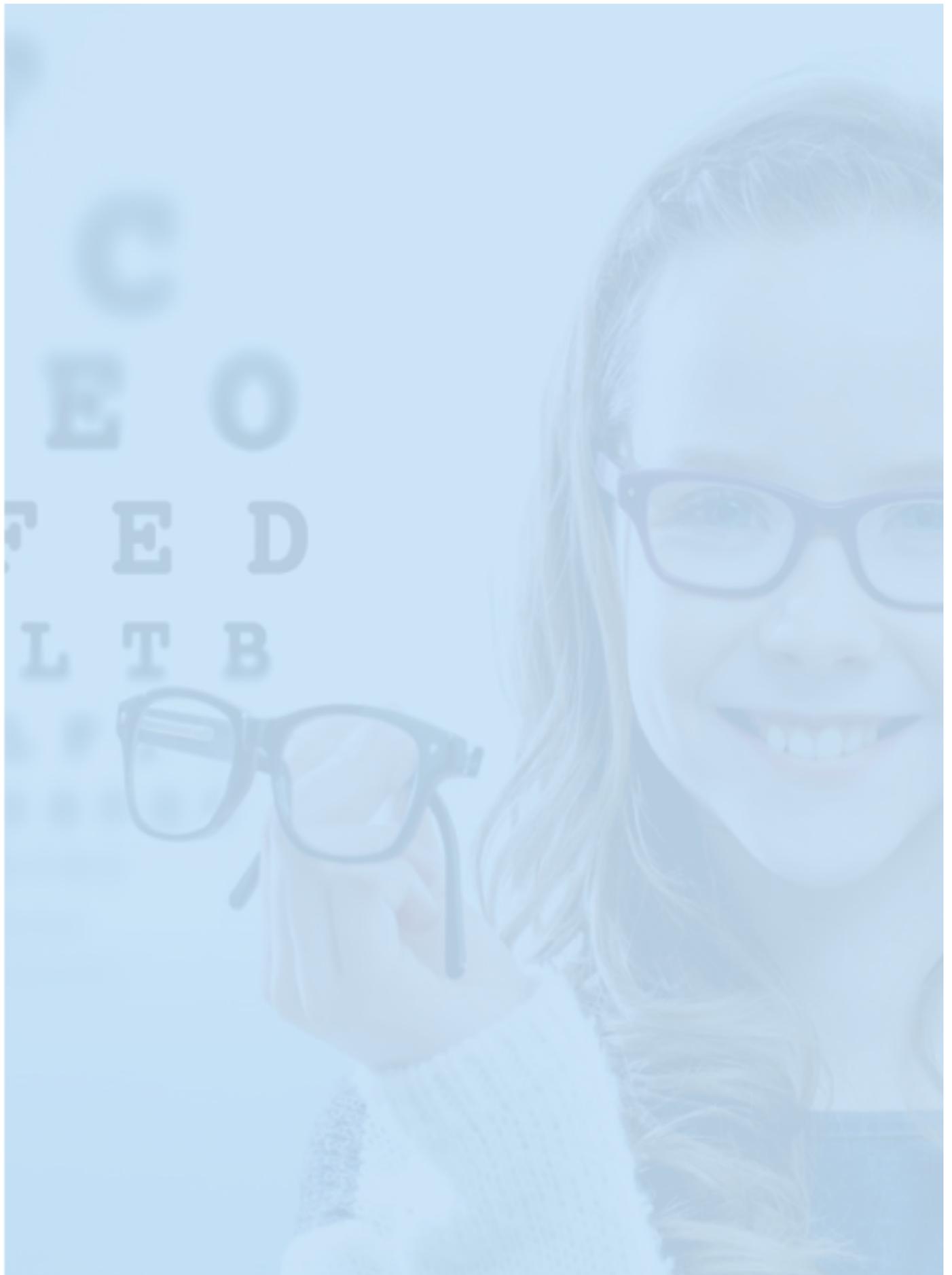
Signature of shareholder:

Signature of Proxy holder(s):

Notes:

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

Affix
Revenue
Stamp not
less than
Rs. 1





Hospital Branches



R.S.Puram



Tirupur



Salem



Cochin



Mettupalayam



Mulanthuruthy



LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

(Formerly Lotus Eye Care Hospital Limited)

CIN: L85110TZ1997PLC007783

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

Phone: 0422-4229900

LOTUS



LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

(Formerly Lotus Eye Care Hospital Limited)

18th ANNUAL REPORT
2014 - 15



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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

E-mail : lotussecdept@gmail.com, Website : www.lotuseye.org

Phone : 0422 4229900 Fax : 0422 4229933

Board of Directors

- Chairman and Managing Director** - **Dr. S.K. Sundaramoorthy**
- Directors**
- **Sri. D. R. Kaarthikeyan**
 - **Dr. S.S. Badrinath**
 - **Dr. Yogesh Shah**
 - **Sri. G.R. Karthikeyan**
 - **CA R. Subramanian**
 - **CA M. Alagiriswamy**
 - **Dr. Kavetha Sundaramoorthy**
(Alternate Director Mr. P.K. Venkatachalam)
 - **Ms. Sangeetha Sundaramoorthy**
- Company Secretary** - **CS K. Rangasamy**
- Chief Financial Officer** - **CA M. Venkatachalapathi**
- Statutory Auditors** - **M/s. V E K A M and Associates**
Chartered Accountants, Coimbatore - 641 012
- Secretarial Auditor** - **Mr. P. Eswaramoorthy**
Company Secretary in Practice
Ramanathapuram, Coimbatore - 641 045
- Bankers**
- **Indian Overseas Bank**, Ganapathy, Coimbatore
 - **Indusind Bank Ltd**, Coimbatore
 - **HDFC Bank Ltd**, Coimbatore
 - **Axis Bank Ltd**, Coimbatore
 - **The Federal Bank Ltd**, Ernakulam
- Registered Office** - S.F. No. 770/12, Avinashi Road
Civil Aerodrome Post, Coimbatore - 641 014
- Registrar and Share Transfer Agent** - **M/s. S.K.D.C. Consultants Limited**
Post Box No : 20416, Kanapathy Towers,
3rd Floor, 1391/A-1, Sathy Road,
Ganapathy Post, Coimbatore - 641 006.

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 18th Annual General Meeting of LOTUS EYE HOSPITAL AND INSTITUTE LIMITED will be held on Monday, 28th day of September, 2015 at 3.00 P.M at The Registered Office of the Company at S.F.No. 770/12, Avinashi Road, Civil Aerodrome Post, Coimbatore-641 014 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March, 2015 and the Reports of the Board of the Directors and Auditors thereon.
2. To appoint a director in place of Dr. Kavetha Sundaramoorthy (holding DIN 2050806), who retires by rotation and being eligible offers herself for re-appointment.
3. To re-appoint M/s. V E K A M and Associates, Chartered Accountants, Coimbatore (Registration No. 05256S) as statutory auditors of the Company and fix their remuneration.

SPECIAL BUSINESS :

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

“RESOLVED that pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013 and in partial modification of the relevant resolution passed at the Annual General Meeting of the Company held on 24.09.2012, consent of the Company be and is hereby accorded to the revision in the remuneration of Dr.S.K.Sundaramoorthy, (DIN: 1582117), Managing Director of the Company, w.e.f. 01.04.2015 on the remuneration, terms and conditions as recommended by the nomination and remuneration committee and as set out in the explanatory statement annexed to the notice, for the remaining period of his tenure i.e. up to 31.03.2017.

RESOLVED FURTHER that except for the aforesaid revision in salary, all other terms and conditions of his appointment as the Managing Director of the Company, as approved by the resolution passed at the Annual General Meeting of the Company held on 24.09.2012, shall remain unchanged.

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Dr.S.K.Sundaramoorthy, Managing Director, including the monetary value thereof, to the extent recommended by the nomination and remuneration committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013.

RESOLVED FURTHER that any one of the Directors or Company Secretary of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.”



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

“RESOLVED THAT pursuant to the provision of sections 196, 197 and 203 read with schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and remuneration of managerial personnel) Rules, 2014 (including any statutory modification (s) or reenactment thereof for the time being in force), subject to such sanctions as may be necessary, approval and sanction of the company be and is hereby accorded to the appointment of and payment of remuneration to Ms.Sangeetha Sundaramoorthy (DIN: 1859252) as Whole Time Director of the Company for a period of 5 years with effect from 1st August, 2014 upon the terms and conditions as set out in the Statement annexed to the notice convening this meeting, with the liberty given to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or remuneration in such manner as may be agreed to by and between the Company and Ms.Sangeetha Sundaramoorthy provided however, such alterations are within the maximum limits laid down in the Companies Act, 2013 for the time being in force.”

RESOLVED FURTHER THAT she is appointed as a whole time Director on Board liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do and perform or cause to be done and performed, all such acts and deeds necessary to give effect to the foregoing resolution, including inter alia, approving on behalf of the Company, any changes or modifications in the aforesaid Agreement from time to time

By Order of the Board

For **LOTUS EYE HOSPITAL AND INSTITUTE LIMITED**

Place : Coimbatore

Date : 30th May, 2015

(Sd.) **CS K. Rangasamy**
Company Secretary

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

IMPORTANT NOTES :

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

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or member.

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. A Proxy form is sent herewith. Proxies submitted on behalf of the Companies, Societies etc., must be supported by an appropriate resolution / authority, as applicable.

2. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd September, 2015 to 28th September, 2015 (both days inclusive).
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
4. Members are requested to communicate their change of address, if any, quoting their folio numbers to our Registrars and Share Transfer Agents, M/s. SKDC Consultants Limited, "Kanapathy Towers", 3rd Floor, 1391 / A-1, Sathy Road, Ganapathy, Coimbatore - 641 006. Similarly members holding shares in Demat form, shall intimate the change of address, if any, to their respective Depository Participants.
5. 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 (enclosed) 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.
6. 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.
7. 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.
8. Electronic copy of the Annual Report for 2014-15 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 Annual Report for 2014-15 is being sent in the permitted mode.
9. Electronic copy of the Notice of the 18th 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 18th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.



10. Members may also note that the Notice of the 18th Annual General Meeting and the Annual Report for 2014-15 will also be available on the Company's website www.lotuseye.org for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: investors.lotus@gmail.com

11. **Voting through electronic means**

Pursuant to Clause 35B of the Listing Agreement with the Stock Exchange and Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 18th 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) :

In terms of Clause 35B of the Listing Agreement, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this notice, a postal ballot Form is annexed. A member desiring to exercise vote by postal ballot shall complete the enclosed Ballot Form with assent (for) or dissent (against) and send it to CS.P.Eswaramoorthy FCS, Scrutinizer, Company Secretary in Practice, 5th Street, Ramalinga Jothi Nagar, Near Corporation Office, Nanjundapuram, Road, Ramanathapuram, Coimbatore – 641 045 so as to reach him on or before 27th September, 2015 by 5.00 P.M. Any Ballot Form received after the said date shall be treated as if the reply from the members has not been received. Kindly note that members can opt for only one mode of voting i.e., either by postal ballot or through e-voting. If members are opting for e-voting then do not vote by postal ballot or vice versa.

However, in case of members casting their vote by postal ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Ballot will be treated as invalid.

The instructions for members for voting electronically are as under:-

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 25th September, 2015 at 9.00 AM and ends on 27th September, 2015 at 5.00 PM. 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 21st September, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

For Members holding shares in Demat Form and Physical Form

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

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN relevant to **Lotus Eye Hospital and Institute Limited** on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the Votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

12. In case of members desiring to exercise vote by Postal Ballot :

A Member desiring to exercise vote by Postal Ballot should complete the Postal Ballot Form and send it to the Scrutinizer in the enclosed self-addressed business reply envelope properly sealed. Members are requested to read the instructions contained on the reverse of the Postal Ballot Form and follow the same.

AS THE COMPANY HAS PROVIDED E-VOTING /POSTAL BALLOT VOTING IN TERMS OF CLAUSE 35B OF THE LISTING AGREEMENT, MEMBERS MAY PLEASE NOTE THAT THERE WILL BE ONLY ONE MODE OF VOTING EITHER THROUGH E-VOTING OR BY POST. THE SCRUTINIZER WILL COLLECT THE VOTES DOWNLOADED FROM THE E-VOTING SYSTEM AND VOTES RECEIVED THROUGH POSTAL BALLOT TO DECLARE THE FINAL RESULT FOR EACH OF THE RESOLUTIONS FORMING PART OF THE NOTICE OF ANNUAL GENERAL MEETING.

- i. 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 Monday, 21st September, 2015.
 - ii. CS.P.Eswaramoorthy FCS, Company Secretaries, Coimbatore has been appointed as the Scrutinizer to scrutinize the e-voting process / Postal Ballot in a fair and transparent manner.
 - iii. The scrutiniser shall, after the conclusion of voting at the 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.
 - iv. The Chairman or a person authorized by him in writing shall declare the result of the voting forthwith. The results declared along with the scrutiniser’s report shall be placed on the Company’s website www.lotuseye.org immediately after the result is declared by the Chairman and shall be simultaneously communicated to NSE, BSE, NSDL & CDSL.
 - v. In case of any grievances connected with the voting by electronic means, the members may contact the Company Secretary, Lotus Eye Hospital and Institute Limited, SF No.770/12, Avinashi Road, Civil Aerodrome Post, Coimbatore – 641 014. Phone : +91 422 4229906. E-mail : lotussecddept@gmail.com.
13. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Sunday, up to and including the date of the Annual General Meeting of the Company.

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

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

Item No. 4

The shareholders will recall the appointment of Dr.S.K.Sundaramoorthy (DIN: 1582117) as Managing Director of the Company with effect from 01.04.2012 for a period of 5 years at the meeting of the shareholders held on 24.09.2012.

The Company, during the year, has achieved remarkable growth with its turnover crossing ₹. 30 crore. Moreover, the Company is aggressively concentrating on its volume of turnover.

Since there has been a considerable increase in the duties and responsibilities performed by the Managing Director and after considering the prevailing managerial remuneration in industry, the Board of Directors at their meeting held on 30.05.2015, on the recommendations made by the nomination and remuneration committee, has approved the proposal to increase the salary of Dr. S.K.Sundaramoorthy, Managing Director from the present Remuneration of ₹. 3,00,000 per month with annual increment of ₹. 50,000 to ₹. 3,50,000 per month with annual increment of ₹. 50,000 w.e.f. 01.04.2015 for the remaining period of his tenure i.e., up to 31.03.2017. Except for the aforesaid revision in salary, all other terms and conditions of his appointment as the Managing Director of the Company as approved earlier, shall remain unchanged.

As per the terms for revision in remuneration proposed above are well in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act, Central Government approval is not necessary for the above revision in remuneration.

Dr.S.K.Sundaramoorthy and his relatives (including Dr.Kavetha Sundaramoorthy and Ms.Sangeetha Sundaramoorthy, Directors) may be deemed to be concerned or interested in the said resolution. No other Directors, key managerial personnel or their relatives are concerned or interested in the said resolution.

Item No.5

The Board of Directors in their meeting held on 30th May, 2015 had re-appointed Ms.Sangeetha Sundaramoorthy (DIN: 1859252) as "Whole-time Director" of the Company for a period of 5 years with effect from 01st August, 2014, subject to approval by the share holders of the Company under Schedule V of the Companies Act, 2013.

The Board has also, subject to approval of the share holders, fixed the remuneration/ perquisites/ benefits payable to the aforesaid Ms.Sangeetha Sundaramoorthy, Whole-time Director from 1st August, 2014 which, shall be as under:

1. Name of the appointee : Ms.Sangeetha Sundaramoorthy
2. Designation : Whole time Director
3. Tenure : Five(5) years From 1st August, 2014
4. Salary : ₹. 40,000/- p.m.
5. Perquisites
 - i) Perquisites include House Rent Allowance, Car, Electricity, Medical Expenses reimbursement for self and family, Leave Travel Concession for self and family, club fees, medical insurance etc., limited to actuals or the Annual Salary whichever is less.
 - ii) Provision of car for use on Company's business and telephone at residence will not be considered perquisites. Personal long distance calls and use of car for private purpose shall be billed by the Company.
 - iii) Company's Contribution to the Provident Fund, Gratuity and encashment of leave as per the rules of



the Company and the same shall not be considered prerequisites as aforesaid.

In the event of absence of or inadequacy of Profit in any Financial Year during the tenure, the remuneration shall be governed as provided under Section II of Part II of Schedule V to the Companies Act, 2013.

The Board of Directors be and hereby authorised to alter and vary the terms and conditions and grant increment(s) and other prerequisites to respective individuals so as not to exceed the maximum limits for the payment of remuneration specified in Schedule V to the Companies Act, 2013 or any amendments thereto, as may be agreed to between the Board of Directors and the respective Directors.

Further she has been appointed as a whole time director on board liable to retire by rotation.

The above mentioned explanatory statement read together with the resolutions specified under **SPECIALBUSINESS** as item no. 5 of the Notice convening the Annual General Meeting may be considered as an abstract, under section 102 of the Companies Act, 2013.

MEMORANDUM OF INTEREST

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

Except the above-mentioned Directors none of the directors of the Company is concerned or interested in this resolution.

By Order of the Board

For LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Place : Coimbatore

Date : 30th May, 2015

(Sd.) CS K. Rangasamy
Company Secretary

The details of Directors seeking appointment / re-appointment in the forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement) are as follows :

| S. No. | Name | Qualification | Experience (in Years) | Directorship in other Public Limited Companies | Committee Membership in other Public Limited Companies | No. of Shares in LEHI LTD |
|--------|---|---------------|-----------------------|--|--|---------------------------|
| 1. | Re-appointment Ms. Sangeetha Sundaramoorthy | MS Software | 14 Years | - | - | 2,23,050 |

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Directors' Report and Management Discussion and Analysis:

Your Directors have pleasure in presenting the 18th Annual Report of your Company together with the Audited Accounts for the year ended 31st March 2015.

| FINANCIAL RESULTS | | (₹ in lacs) |
|---|------------------------------|-------------------------------|
| Particulars | 31.03.2015 (Current year) | 31.03.2014 (Previous year) |
| Income from Operations and other income | 3033.22 | 2908.52 |
| Profit before Depreciation and Tax | 253.76 | 363.69 |
| Less: Depreciation | 476.19 | 353.71 |
| Profit / (Loss) before Tax | (222.43) | 9.98 |
| Add: Provision for Taxes / Deferred Tax Asset | 24.35 | 6.08 |
| Profit / (Loss) after tax transferred to Reserves & Surplus | (198.08) | 3.90 |

REVIEW OF OPERATIONS AND PERFORMANCE :

Your company has reported a turnover of ₹. 3032.91 lacs during the financial year 2014-15 compared to the turnover of ₹. 2908.52 lacs in the previous financial year 2013.14. Your Company incurred a net loss of ₹.198.08 lacs during the financial year 2014-15 against a net profit of ₹. 3.90 lacs during the previous financial year 2013.14. Your directors will take further effort to increase the turnover and net profit.

Dividend: Your Director has not recommended any dividend for the year under review.

SHARE CAPITAL:

The Paid up equity capital as on 31st March, 2015 was ₹. 2, 079.63 Lacs. During the year under review the Company has not issued any shares to the Shareholders. The company has not issued shares with different voting rights nor granted stock option nor sweat equity,

FINANCE:

Cash and cash equivalents as at 31st March, 2015 was ₹. 51.55 Lacs. The Company continues to focus on judicious management of its working capital, Receivables, Inventories and other working capital parameters were kept under strict check through continuous monitoring.

DEPOSITS:

Your company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2014.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

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

OUTLOOK FOR THE CURRENT YEAR:

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

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

CORPORATE SOCIAL RESPONSIBILITIES:

Your company always places greater importance to manage its affairs with highest levels of transparency, accountability and integrity and is committed to achieve and maintain the high standards of corporate governance on sustained basis. Your Company reaches out to the needy sections of the society in many



ways. In line with this policy, your Company has been continuously organizing many free eye camps along with trust to provide free eye treatment to people below the poverty line.

OPPORTUNITIES AND THREATS:

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

Our company is situated at South India and faces competition from other hospitals in the home town. We have introduced new departments in Ophthalmology and additional facilities for patients in Coimbatore and other centers.

COMPETITION:

The competition from the un-organized sector would be met by delivering quality eye care on 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.

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.

INVESTMENT:

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

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.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The 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 employed its own internal audit department 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.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the period under review your company has incurred the foreign exchange outgo to the tune of ₹. 275.75 Lacs. (Previous year : Nil)

INDUSTRIAL RELATIONS:

During the year under review, your company enjoyed cordial relationship with the employees at all levels.

DIRECTORS:

Dr.Kavetha Sundaramoorthy retires by rotation at the forthcoming Annual General Meeting and being eligible, offer herself for re-appointment.

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 clause 49 of the Listing Agreement.

BOARD EVALUATION: Pursuant to the provisions of the Companies Act, 2013 and clause 49 of the Listing Agreement, the Board has carried out an evaluation of its own performance, the directors individually as

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

well as the evaluation of the working of its Audit, Nomination and Remuneration Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

REMUNERATION POLICY: The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration policy is stated in the Corporate Governance Report.

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

AUDIT COMMITTEE: The composition of audit committee, number of meetings hold and the attendance of directors there to have been provided under an identical head in the Corporate Governance 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 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.

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

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

SUBSIDIARY COMPANIES:

The Company does not have any subsidiary Company.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

During the year, there was no change in the 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 has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The Company believes in “Zero Tolerance” against bribery, corruption and unethical dealings / behaviors of any form and the Board has laid down the directives to counter such acts. The code laid down by the Board is known as “Code of Conduct” which forms an Appendix to the Code. The Code has been posted on the Company’s website www.lotuseye.org.

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 Key Managerial Personnel of the Company as stipulated under the Companies Act, 2013 are Dr.S.K.Sundaramoorthy, Managing Director, Ms.Sangeetha Sundaramorthy, Whole-time Director, CA.M.Venkatachalapathi, Chief Financial Officer and CS.K.Rangasamy, Company Secretary.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has a vigil mechanism named Fraud and Risk Management Policy to deal with instance of fraud and mismanagement, if any.

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has a Fraud Risk and Management Policy to deal with instances of fraud and mismanagement, if any.

The FRM Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

A high level Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.

PREVENTION OF INSIDER TRADING:

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

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

AUDITOR’S REPORT / SECRETARIAL AUDIT 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.

As required under section 204 (1) of the Companies Act, 2013 the Company has obtained a secretarial audit report. There are no observations made in the report for the relevant period. However, the company would ensure that all the provisions are complied to the fullest extent.

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

STATUTORY AUDITORS:

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

SECRETARIAL AUDIT:

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed Mr.P.Eswaramoorthy, Company Secretary in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith as "Annexure A"

EXTRACT OF ANNUAL RETURN:

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

BUSINESS RISK MANAGEMENT:

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Clause 49 of the listing agreement, the company has constituted a Risk Management Committee. The details of the committee and its terms of reference are set out in the corporate governance report forming part of the Boards report.

At present the company has not identified any element of risk which may threaten the existence of the company.

PARTICULARS OF EMPLOYEES:

As on 31st March, 2015, none of the employees were in receipt of remuneration in excess of the limits prescribed in Section 197 read with Rule 5, 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 .

The remuneration paid to all Key management Personnel was in accordance with remuneration policy adopted by the company

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS:

The Corporate Governance and Management Discussion & Analysis Report, which form an integral part of this Report, are set out as separate Annexure, together with the Certificate from the auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

INFORMATION AS PER SECTION 134 (3) (M) OF THE COMPANIES ACT, 2013:

Since the Company is in service industry and does not do any manufacturing activity, the particulars regarding conservation of energy and technology absorption stipulated under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, are not applicable.

The particulars regarding foreign exchange inflow and outflow appear as item no.12 in General Notes on Accounts.

CAUTIONARY STATEMENT:

Statement in this Management Discussion and Analysis describing the health care sector's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

ACKNOWLEDGEMENTS:

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

for and on behalf of the Board

Place : Coimbatore
Date : 30th May, 2015

(Sd.) Dr. S.K. Sundaramoorthy
Chairman and Managing Director



Annexure A to Board's Report
SECRETARIAL AUDIT REPORT

Form No. MR-3

For The Financial Year Ended On 31st March, 2015

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

To

The Members

Lotus Eye Hospital and Institute Limited

CIN: L85110TZ1997PLC007783

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

Civil Aerodrome Post

Coimbatore – 641 014

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **LOTUS EYE HOSPITAL AND INSTITUTE LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended March 31, 2015, 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 on March 31, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities contracts (Regulation) Act, 1956('SCRA') and rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2013;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The major head/groups of Acts, Laws and Regulations as applicable to the Company are

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

(i) Labour Laws; (ii) Environmental and prevention of pollution Laws; (iii) Tax Laws; (iv) Economic and Commercial Laws; (v) The Pharmacy Act, 1948 and (vi) Bio-Medical Waste Management Handling Rules, 1988, (vii) Acts prescribed under Shops and Establishment Act of various local authorities.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India - not applicable as the same was not notified during the audit period
- (ii) The Listing Agreements entered into by the Company with BSE / NSE 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, Independent Directors and Woman Director. 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 at least seven day 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 further report that based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of quarterly compliance reports by respective department heads and Company Secretary taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable Laws.

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

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

Place : Coimbatore
Date : 30th May, 2015

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



'ANNEXURE A TO SECRETARIAL AUDIT REPORT'

To

The Members

Lotus Eye Hospital and Institute Limited

CIN: L85110TZ1997PLC007783

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

Civil Aerodrome Post

Coimbatore – 641 014

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

1. Maintenance of secretarial record, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure 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 the correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Coimbatore

Date : 30th May, 2015

P. Eswaramoorthy
Company Secretary in Practice

FCS No. : 6510

CP No. : 7069

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Annexure B to Boards Report
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2015
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN: L85110TZ1997PLC007783
- ii) Registration Date: 14/03/1997
- iii) Name of the Company: LOTUS EYE HOSPITAL AND INSTITUTE LIMITED
- iv) Category / Sub-Category of the Company: Company Limited by Shares
- v) Address of the registered office and contact details:
770/12, AVINASHI ROAD,
CIVIL AERODROME POST,
COIMBATORE – 641 014.
- vi) Whether listed company: YES
- vii) Name, Address and Contact details of Registrar and Transfer Agent:
S.K.D.C.CONSULTANTS LIMITED,
POST BOX NO.20416,
KANAPATHY TOWERS, 3rd FLOOR,
1391/A-1, SATHY ROAD, GANAPATHY POST,
COIMBATORE – 641 006.
PHONE: 0422 654995 & 2539835, FAX : 0422 2539837

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

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



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

i) Category-wise Share Holding

| Category of Shareholders | No. of shares held at the beginning of the year | | | % of Total Shares | No. of shares held at the end of the year | | | % change during the year | | |
|--|---|------------|-----------------|-------------------|---|------------|-----------------|--------------------------|---------------|------------|
| | Demat | Physical | Total | | Demat | Physical | Total | % of Total Shares | - | |
| A (1) Promoters | | | | | | | | | | |
| a) Individual/HUF | 11042520 | 200 | 11042720 | 53.099 | 11045997 | 200 | 11046197 | 53.116 | 0.017 | |
| b) Central Govt | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| c) State Govt (s) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| d) Bodies Corp. | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| e) Bank / FI | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| f) Others | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Sub-total (A) (1):- | 11042520 | 200 | 11042720 | 53.099 | 11045997 | 200 | 11046197 | 53.116 | 0.017 | |
| (2) Foreign | | | | | | | | | | |
| a) NRIs - Individuals | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| b) Other – Individuals | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| c) Bodies Corp. | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| d) Banks / FI | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| e) Any Other.... | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Sub-total (A) (2):- | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Total Shareholdings of Promoter (A) = (A) (1) + (a) (2) | 11042520 | 200 | 11042720 | 53.099 | 11045997 | 200 | 11046197 | 53.116 | 0.017 | |
| B. Public Shareholding | | | | | | | | | | |
| a) Mutual Funds/ Banks/FI | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| b) Central Govt. | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| c) State Govt.(s) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| d) Venture Capital funds | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| e) Insurance Companies | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| f) FIIs | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| g) Foreign Venture Capital Funds | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| h) Others (specify) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Sub-total (B)(1):- | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| 2. Non-Institutions | | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | | |
| i) Indian | 556222 | Nil | 556222 | 2.675 | 530643 | Nil | 530643 | 2.552 | -0.123 | |
| ii) Overseas | | | | | | | | | | |
| b) Individuals | | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹. 1 Lac | 4318388 | 107 | 4318495 | 20.765 | 4089087 | 107 | 4089194 | 19.662 | -1.103 | |
| ii) Individual shareholders holding nominal share capital in excess of ₹.1 Lac | 4222265 | Nil | 4222265 | 20.303 | 4472850 | Nil | 4472850 | 21.508 | 1.205 | |
| c) Others Non Resident | | | | | | | | | | |
| Indians | 186993 | Nil | 186993 | 0.899 | 121434 | Nil | 121434 | 0.584 | -0.315 | |
| Clearing Members | 119498 | Nil | 119498 | 0.575 | 226229 | Nil | 226229 | 1.088 | +0.513 | |
| Hindu Undivided Family | 350137 | Nil | 350137 | 1.684 | 309783 | Nil | 309783 | 1.490 | -0.194 | |
| Sub-total (B)(2):- | 9753503 | 107 | 9753610 | 46.901 | 9750026 | 107 | 9750133 | 46.884 | -0.017 | |
| Total Public Shareholdings (B)=(b) (1)+(B) (2) | 9753503 | 107 | 9753610 | 46.901 | 9750026 | 107 | 9750133 | 46.884 | -0.017 | |
| C. Shares held by Custodian for GDRs & ADRs | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Grand Total (A+B+C) | 20796023 | 307 | 20796330 | 100.000 | 20796023 | 307 | 20796330 | 100.000 | 0.000 | |

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 | | | |
|----------------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
| | 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 | Shares of % change in shares holding during the year |
| 1 Kaliannagounder Sundaramoorthy | 10596420 | 50.95 | Nil | 10599897 | 50.97 | Nil | 0.02 |
| 2 Dr.Kavetha Sundaramoorthy | 223050 | 1.07 | Nil | 223050 | 1.07 | Nil | Nil |
| 3 Ms.Sangeetha Sundaramoorthy | 223050 | 1.07 | Nil | 223050 | 1.07 | 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) – NOT APPLICABLE

| S.No. | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|----------------------------------|---|----------------------------------|
| | No. of Shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| At the beginning of the year | 11042720 | 53.10 | 11042720 | 53.10 |
| Date wise Increase / Decrease .in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):Date: 13.03.2015 | 3477 | 0.02 | 3477 | 0.02 |
| At the End of the year | 11046197 | 53.12 | 11046197 | 53.12 |

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

| S.No. | Shareholding at the beginning of the year | | Cumulative Shareholding at the end of the year | |
|------------------------------|---|----------------------------------|--|----------------------------------|
| | No. of Shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 01 Mr. A.K.S.SARAVANAN | | | | |
| At the beginning of the year | 887667 | 4.27 | 887667 | 4.27 |
| 02.05.2014 Sale | (58666) | 0.28 | 829001 | 3.99 |
| 16.05.2014 Purchase | 4 | 0.00 | 829005 | 3.99 |
| 23.05.2014 Purchase | 22738 | 0.11 | 851743 | 4.10 |
| 30.05.2014 Purchase | 24981 | 0.12 | 876724 | 4.22 |
| 30.06.2014 Sale | (100) | 0.00 | 876624 | 4.22 |
| 04.07.2014 Purchase | 46430 | 0.22 | 923054 | 4.44 |
| 11.07.2014 Purchase | 20 | 0.00 | 923074 | 4.44 |
| 29.08.2014 Sale | (17019) | 0.08 | 906055 | 4.36 |
| 10.10.2014 Purchase | 778 | 0.00 | 906833 | 4.36 |

| | | | | | |
|----------------------------------|----------|---------|------|---------|------|
| 31.10.2014 | Purchase | 500 | 0.00 | 907333 | 4.36 |
| 21.11.2014 | Purchase | 1808 | 0.01 | 909141 | 4.37 |
| 19.12.2014 | Purchase | 16383 | 0.08 | 925524 | 4.45 |
| 31.12.2014 | Purchase | 34136 | 0.17 | 959660 | 4.62 |
| 02.01.2015 | Purchase | 3707 | 0.02 | 963367 | 4.64 |
| 09.01.2015 | Purchase | 48083 | 0.23 | 1011450 | 4.86 |
| 16.01.2015 | Purchase | 6126 | 0.03 | 1017576 | 4.89 |
| 23.01.2015 | Purchase | 3000 | 0.01 | 1020576 | 4.90 |
| 30.01.2015 | Purchase | 316 | 0.00 | 1020892 | 4.90 |
| 06.02.2015 | Sale | (505) | 0.00 | 1020387 | 4.90 |
| 13.02.2015 | Purchase | 12 | 0.00 | 1020399 | 4.90 |
| 20.02.2014 | Purchase | 771 | 0.00 | 1021170 | 4.90 |
| 27.02.2014 | Purchase | 986 | 0.00 | 1022156 | 4.90 |
| 06.03.2014 | Purchase | 603 | 0.00 | 1022759 | 4.90 |
| 13.03.2014 | Purchase | 254 | 0.00 | 1023013 | 4.90 |
| 20.03.2015 | Purchase | 7766 | 0.05 | 1030779 | 4.95 |
| At the end of the year | | | | 1030779 | 4.95 |
| 02 Ms. SANGEETA CHOUDHARY | | | | | |
| At the beginning of the year | | 69053 | 0.00 | 69053 | 0.33 |
| 22.08.2014 | Purchase | 332203 | 1.60 | 401256 | 1.93 |
| 27.03.2015 | Purchase | 58608 | 0.28 | 459864 | 2.21 |
| At the end of the year | | | | 459864 | 2.21 |
| 03 Dr. RAJEEV CHOUDHARY | | | | | |
| At the beginning of the year | | 439235 | 2.11 | 439235 | 2.11 |
| At the end of the year | | | | 439235 | 2.11 |
| 04 Mr. MAGESH KANOOGA S | | | | | |
| At the beginning of the year | | 22336 | 0.11 | 22336 | 0.10 |
| 20.06.2014 | Sale | (2538) | 0.01 | 19798 | 0.09 |
| 30.06.2014 | Sale | (7840) | 0.03 | 11958 | 0.06 |
| 12.09.2014 | Purchase | 9106 | 0.04 | 21064 | 0.10 |
| 30.09.2014 | Purchase | 8574 | 0.04 | 29638 | 0.14 |
| 03.10.2014 | Purchase | 9149 | 0.04 | 38787 | 0.18 |
| 10.10.2014 | Purchase | 4335 | 0.02 | 43162 | 0.20 |
| 24.10.2014 | Sale | (8060) | 0.03 | 35062 | 0.17 |
| 31.10.2014 | Purchase | 27222 | 0.13 | 62284 | 0.30 |
| 07.11.2014 | Purchase | 31217 | 0.15 | 93501 | 0.45 |
| 21.11.2014 | Purchase | 565 | 0.00 | 94072 | 0.45 |
| 28.11.2014 | Purchase | 94726 | 0.46 | 188792 | 0.91 |
| 05.12.2014 | Purchase | 41300 | 0.20 | 230092 | 1.11 |
| 06.02.2015 | Purchase | 21221 | 0.10 | 251313 | 1.21 |
| 13.02.2015 | Purchase | 1800 | 0.01 | 253113 | 1.22 |
| 13.02.2015 | Sale | (6501) | 0.03 | 246612 | 1.19 |
| 20.02.2015 | Sale | (6009) | 0.03 | 240603 | 1.16 |
| 20.03.2015 | Sale | (3948) | 0.02 | 236655 | 1.14 |
| 27.03.2015 | Sale | (26138) | 0.13 | 210517 | 1.01 |
| 31.03.2015 | Sale | (1953) | 0.01 | 208564 | 1.00 |
| At the end of the year | | | | 208564 | 1.00 |

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

| | | | | | |
|------------------------------------|----------|---------|------|--------|------|
| 05 Mr. SANJAY DINESH SHAH | | | | | |
| At the beginning of the year | | 175500 | 0.84 | 175500 | 0.84 |
| At the end of the year | | | | 175500 | 0.84 |
| <hr/> | | | | | |
| 06 Mr. MUGESH KANOOGA S | | | | | |
| At the beginning of the year | | 46786 | 0.22 | 46786 | 0.22 |
| 06.06.2014 | Purchase | 28469 | 0.14 | 75255 | 0.36 |
| 13.06.2014 | Purchase | 60308 | 0.29 | 135563 | 0.65 |
| 20.06.2014 | Sale | (4900) | 0.02 | 130663 | 0.63 |
| 30.06.2014 | Sale | (3520) | 0.02 | 127143 | 0.61 |
| 12.09.2014 | Purchase | 14202 | 0.07 | 141345 | 0.68 |
| 19.09.2014 | Sale | (4328) | 0.02 | 137017 | 0.66 |
| 30.09.2014 | Sale | (100) | 0.00 | 136917 | 0.66 |
| 03.10.2014 | Purchase | 3500 | 0.02 | 140417 | 0.6 |
| 10.10.2014 | Purchase | 15594 | 0.07 | 156011 | 0.75 |
| 12.12.2014 | Purchase | 5015 | 0.02 | 161026 | 0.77 |
| 09.01.2015 | Sale | (1182) | 0.01 | 159844 | 0.76 |
| 16.01.2015 | Purchase | 923 | 0.00 | 160767 | 0.76 |
| 23.01.2015 | Purchase | 2233 | 0.02 | 163000 | 0.78 |
| 30.01.2015 | Purchase | 5942 | 0.03 | 168942 | 0.81 |
| 06.02.2015 | Purchase | 30058 | 0.14 | 199000 | 0.95 |
| 13.03.2015 | Purchase | 11198 | 0.06 | 210198 | 1.01 |
| 20.03.2015 | Sale | (27318) | 0.13 | 182880 | 0.87 |
| 31.03.2015 | Sale | (10121) | 0.04 | 172759 | 0.83 |
| At the end of the year | | | | 172759 | 0.83 |
| <hr/> | | | | | |
| 07 Mr. PRAS KANOOGA M | | | | | |
| At the beginning of the year | | 13728 | 0.07 | 13728 | 0.07 |
| 13.06.2014 | Purchase | 5000 | 0.02 | 18728 | 0.09 |
| 12.09.2014 | Purchase | 1000 | 0.00 | 19728 | 0.09 |
| 12.12.2014 | Purchase | 74752 | 0.36 | 94480 | 0.45 |
| 19.12.2014 | Purchase | 1306 | 0.01 | 95786 | 0.46 |
| 31.12.2014 | Sale | (1300) | 0.01 | 94486 | 0.45 |
| 02.01.2015 | Sale | (4200) | 0.02 | 90286 | 0.43 |
| 09.01.2015 | Purchase | 16894 | 0.08 | 107180 | 0.51 |
| 27.03.2015 | Sale | (2078) | 0.01 | 105102 | 0.52 |
| At the end of the year | | | | 105102 | 0.52 |
| <hr/> | | | | | |
| 08 Mr. HARISH RAMANAN | | | | | |
| At the beginning of the year | | - | - | - | - |
| At the end of the year | | | | 104083 | 0.50 |
| <hr/> | | | | | |
| 09 Mr. SUBRAMANIAN K | | | | | |
| At the beginning of the year | | 94506 | 0.45 | 94506 | 0.45 |
| At the end of the year | | | | 94506 | 0.45 |
| <hr/> | | | | | |
| 10 Mr. MAHENDRA GIRDHARILAL | | | | | |
| At the beginning of the year | | 90713 | 0.44 | 90713 | 0.44 |
| At the end of the year | | | | 90713 | 0.44 |

(v) **Shareholding of Directors 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 Company | No. of shares | % of total shares of the Company |
| 1 | Dr. S.K.Sundaramoorthy, Managing Director At the beginning of the year Date wise Increase / Decrease in Share holding during theyear specifying the reasonsfor increase / decrease (e.g.allotment / transfer / bonus/sweat equity etc): 13.03.2015 At the End of the year | 11042720 | 53.10 | 11042720 | 53.10 |
| | | 3477 | 0.02 | 11046197 | 53.10 |
| | | 11046197 | 53.12 | 11046197 | 53.12 |
| 2 | Dr. Kavetha Sundaramoorthy, Director At the beginning of the year Date wise Increase / Decrease in Share holding during theyear specifying the reasonsfor increase / decrease (e.g.allotment / transfer / bonus/sweat equity etc): At the End of the year | 223050 | 1.07 | 223050 | 1.07 |
| | | 223050 | 1.07 | 223050 | 1.07 |
| 3 | Ms.Sangeetha Sundaramoorthy, Director At the beginning of the year Date wise Increase / Decrease in Share holding during theyear specifying the reasonsfor increase / decrease (e.g.allotment / transfer / bonus/sweat equity etc): At the End of the year | 223050 | 1.07 | 223050 | 1.07 |
| | | 223050 | 1.07 | 223050 | 1.07 |
| 4 | Mr. M.Venkatachalapathi CFO At the beginning of the year Date wise Increase / Decrease in Share holding during theyear specifying the reasonsfor increase / decrease (e.g.allotment / transfer / bonus/sweat equity etc): At the End of the year | Nil | Nil | Nil | Nil |
| | | Nil | Nil | Nil | Nil |
| | | Nil | Nil | Nil | Nil |
| 5 | Mr. K.Rangasamy, Company Secretary At the beginning of the year Date wise Increase / Decrease in Share holding during theyear specifying the reasonsfor increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc): At the End of the year | 50 | Nil | 50 | Nil |
| | | Nil | Nil | Nil | Nil |
| | | 50 | Nil | 50 | Nil |

V. INDEBTEDNESS (₹. in Lacs)

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

| S.No. | Secured Loans excluding deposits | Secured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|---------------|------------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 6.63 | Nil | Nil | 6.63 |
| ii) Interest due but not paid | Nil | Nil | Nil | Nil |
| iii) Interest accrued but not due | Nil | Nil | Nil | Nil |
| Total (i+ii+iii) | 6.63 | Nil | Nil | 6.63 |
| Change in Indebtedness during the financial year | | | | |
| Addition | 85.00 | Nil | Nil | 85.00 |
| Reduction | 8.53 | Nil | Nil | 8.53 |
| Net Change Indebtedness | 76.47 | Nil | Nil | 76.47 |
| At the end of the financial year | | | | |
| i) Principal Amount | 83.10 | Nil | Nil | 83.10 |
| ii) Interest due but not paid | Nil | Nil | Nil | Nil |
| iii) Interest accrued but not due | Nil | Nil | Nil | Nil |
| Total (i+ii+iii) | 83.10 | Nil | Nil | 83.10 |

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| 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 | 36.00 | Nil | 36.00 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 1.30 | Nil | 1.30 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | Nil | Nil | Nil |
| 2 | Stock Option | Nil | Nil | Nil |
| 3 | Sweat Equity | Nil | Nil | Nil |
| 4 | Commission- as % of profit- others, specify... | Nil | Nil | Nil |
| 5 | Others, please specify | Nil | Nil | Nil |
| | Total (A) | 37.30 | Nil | 37.30 |
| | Ceiling as per the Act | | | |
| 1. | In case of adequate Profit | 5% of the Net Profit | 5% of the Net Profit | 10% of the Net Profit |
| 2. | In case of no Profit or inadequate Profit | 42.00 | 42.00 | 84.00 |
| | Plus contribution to Provident Fund, Superannuation, Gratuity and encashment of leave to the extent permitted under the Act | | | |

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

| S. No. | Particulars of Remuneration | Name of the Directors | | | | | | Total Amount |
|--------|--|-----------------------|---------------------------|---------------|-----------------|----------------|----------------|---------------|
| | | D.R.Karthikeyan | Dr.S.S.Badrinath | R.Subramanian | G.R.Karthikeyan | Dr.Yogesh Shah | M.Alagiriswamy | |
| 1 | Independent Directors | | | | | | | |
| | Fee for attending board / committee meetings | 50000 | 5000 | 30000 | 40000 | 10000 | 25000 | 160000 |
| | Commission | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | Others, please specify | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | Total (1) | 50000 | 5000 | 30000 | 40000 | 10000 | 25000 | 160000 |
| 2 | Other Non-Executive Directors | | | | | | | |
| | | Mr.P.K.Venkata-chalam | Dr.Kavetha-Sundaramoorthy | | | | | |
| | Fee for attending board / committee meetings | 10000 | 5000 | | | | | 15000 |
| | Commission | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | Others, please specify | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | Total (2) | 10000 | 5000 | | | | | 15000 |
| | Total (B)=(1+2) | 60000 | 10000 | 30000 | 40000 | 10000 | 25000 | 175000 |
| | Total Managerial Remuneration | | | | | | | 175000 |

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 (Amount in ₹)

| S.No. | Particulars of Remuneration | Key Managerial Personnel | | Total Amount |
|-------|---|--------------------------|-------------------|--------------|
| | | CFO | Company Secretary | |
| 1 | Gross Salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 150000 | 715650 | 865650 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | Nil | Nil | Nil |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | Nil | Nil | Nil |
| 2 | Stock Option | Nil | Nil | Nil |
| 3 | Sweat Equity | Nil | Nil | Nil |
| 4 | Commission- as % of profit- others, specify... | Nil | Nil | Nil |
| 5 | Others, please specify | Nil | Nil | Nil |
| | Total (A) | 150000 | 715650 | 865650 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

REPORT ON CORPORATE GOVERNANCE (Annexure to the Eighteenth Directors' Report 2014-15)

Introduction

The Securities and Exchange Board of India has introduced a Code of Corporate Governance (Code) by way of amendment to the listing agreements with the Stock Exchanges. The Company has complied with the mandatory requirements of the Code.

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

(a) Composition

As on 31st March 2015, the strength of the Board is Nine Directors of which one is Alternate Director. As per Clause 49 of the listing agreement, if the Chairman is an Executive Chairman, atleast half of the Board should comprise of independent directors. There are six Independent Directors in our Board.

None of the Directors on the Board hold office of Director in more than fifteen companies or membership of the committees of the Board in more than ten committees and chairmanship of more than five committees, across all companies.

| Name of the Director | Category as per Listing Agreement | Directorship in other Public Ltd Companies | Membership and / or Chairperson of Committees | |
|--|-----------------------------------|--|---|----------|
| | | | Member | Chairman |
| Dr. S.K. Sundaramoorthy (Chairman and Managing Director) | Executive Promoter | NIL | 1 | - |
| Mr. P.K. Venkatachalam (Alternate Director to Ms. Kavetha Sundaramoorthy) | Promoter | NIL | - | - |
| Dr. Kavetha Sundaramoorthy | Non-Executive Promoter | NIL | - | - |
| Ms. Sangeetha Sundaramoorthy | Executive-Promoter | NIL | 2 | - |
| Mr. D.R. Kaarthikeyan | Non-Executive Independent | 7 | 3 | 1 |
| Dr. S.S. Badrinath | Non-Executive Independent | NIL | - | - |
| CA R. Subramanian | Non-Executive Independent | 2 | 2 | 2 |
| Dr. Yogesh Shah | Non-Executive Independent | NIL | 1 | - |
| Mr. G.R. Karthikeyan | Non-Executive Independent | NIL | 2 | - |
| CA M. Alagiriswamy | Non-Executive Independent | 1 | 2 | - |

(b) Meeting

The Board met five times during the year i.e. on 24th May, 2014, 13th August, 2014, 16th September, 2014, 14th November, 2014 and 14th February, 2015.

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 (5) | Audit Committee (4) | Nomination & Remuneration Committee (2) | Stakeholders Relationship Committee (0) | Annual General Meeting |
|------------------------------|-------------------|---------------------|---|---|------------------------|
| Dr. S.K. Sundaramoorthy | 5 | - | - | - | Yes |
| Mr. P.K. Venkatachalam | 2 | - | - | - | No |
| Dr. S.S. Badrinath | 1 | - | - | - | No |
| Mr. D.R. Kaarthikeyan | 4 | 4 | 2 | - | Yes |
| CA R. Subramanian | 3 | 3 | - | - | No |
| Mr. Yogesh Shah | 1 | - | 1 | - | Yes |
| Ms. Sangeetha Sundaramoorthy | 1 | 1 | - | - | No |
| Dr. Kavetha Sundaramoorthy | 1 | - | - | - | No |
| Mr. G.R. Karthikeyan | 4 | 3 | 1 | - | No |
| CA M. Alagiriswamy | 3 | 2 | - | - | Yes |

The figures within brackets denote the number of meetings held during the period from 1st April, 2014 to 31st March, 2015.

(c) General Meeting

During the period one General Meeting was held as per the details hereunder:

| Particulars | 17 th AGM 2014 |
|-------------------------|----------------------------------|
| Date of Meeting | 24 th September, 2014 |
| No. of Members Attended | 50 |
| No. of Proxy Attended | - |
| Chairman of the Meeting | Dr. S.K. Sundaramoorthy |
| Company Secretary | Mr. K. Rangasamy |

3. Composition of Board Committees

For effective and efficient functioning of the Company, the Board has formed the following Committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee.

a) Audit Committee

The Audit Committee has been constituted on 16.10.2007. The broad terms of reference to the committee are compliance of adequate internal control system, financial disclosures and other issues confirming to the requirements specified in the Listing Agreement. The Committee was reconstituted on 10.11.2012 with the following Executive and Non-Executive Directors as its Members.

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

Name of the Invitee – CA. M.P.Panneerselvan, Statutory Auditor

Sri. K. Rangasamy, Company Secretary is the Secretary of the Audit Committee.

Any two members, present shall constitute the quorum. Four meetings were held during the year.

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

b) Nomination and Remuneration Committee

The Remuneration Committee reconstituted on 10.11.2012 with the following Non Executive Directors as members to determine on behalf of the Board of Directors, with regard to terms of reference, the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment.

The Committee was reconstituted on 10.11.2012 with the following Executive and Non-Executive Directors as its members

| S.No. | Name | | Category |
|-------|------------------------------|------------|-------------------------------|
| 1. | Mr. D.R. Kaarthikeyan | - Chairman | - Independent - Non-Executive |
| 2. | Dr. Yogesh Shah | - Member | - Independent - Non-Executive |
| 3. | Ms. Sangeetha Sundaramoorthy | - Member | - Non Independent - Executive |
| 4. | Mr. G.R. Kathikeyan | - Member | - Independent - Non-Executive |

Any two members, present shall constitute the quorum. Two meetings were held during the year.

c) Stakeholders Relationship Committee.

The Committee has been formed on 16.10.2007 to specifically deal in matters relating to transfer and transmission of shares, issue of duplicate share certificate, review of dematerialized shares, redressing of investors complaints and non-receipt of shares, annual report, dividend warrants and other matters relating to shares.

The Committee was reconstituted on 10.11.2012 with the following Executive and Non-Executive directors as its members.

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

Sri. K. Rangasamy, Company Secretary is the Compliance officer.

During the year the company has not received any complaints from the investors and there were no outstanding complaints as on 31.03.2015.

4. 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 |
|------------------------------|----------------------|--------------------------|--|---------------------|
| 31 st March, 2012 | 15 th AGM | 24.09.12 - 3.00 p.m. | Kasthuri Srinivasan Trust, "Culture Centre", Avinashi Road, Coimbatore - 641 014 | Yes |
| 31 st March, 2013 | 16 th AGM | 25.09.13 - 3.00 p.m. | Registered Office at S.F.No. 770/12, Avinashi Road, Civil Aerodrome Post, Coimbatore - 641 014 | Yes |
| 31 st March, 2014 | 17 th AGM | 24.09.14 - 3.00 p.m. | Registered Office at S.F.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 last financial year.

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

5. Disclosures :

a) Related Party Transactions

Details of related party transactions are disclosed in General Note No.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.

b. Compliance by the Company

The company has fairly complied with the requirements of the Stock Exchanges and SEBI. During the last three years, no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI on any matter. The board reviews periodically the compliance report of all laws applicable to the Company.

c. 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 the prescribed by any Accounting Standard in the preparation of financial statements.

d. 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.

e. 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.

f. CEO / CFO Certification

Pursuant to the provisions of Sub Clause V of the Clause 49 of the Listing Agreement with the Stock Exchanges, the Chairman and Managing Director (CEO) and Chief Financial Officer (CFO) have issued a Certificate to the Board as required for the Financial Year ended 31st March 2015.

g. 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.

h. Compliance with Corporate Governance Norms

The Company has complied with all the mandatory requirements of Corporate Governance norms as enumerated in Clause 49 of the Listing Agreement with the Stock Exchanges.

i. Management

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

6. Means of Communication:

The quarterly financial results are generally published within forty five days from the end of each quarter.

The audited results are announced within sixty days from the end of the last quarter as stipulated in the listing agreement with the Stock Exchanges. The Audited annual financial results form part of the Annual Report and the same is being sent to the shareholders prior to the Annual General Meeting.

The Company Profile, Corporate Information, Shareholding Pattern, Financial Statements, Code of Conduct for Directors and Officers and Service range are posted on the Company's web-site www.lotuseye.org.

Quarterly Financial Results and Quarterly Shareholding Pattern are intimated to Stock Exchanges periodically.

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

7. General Shareholders Information

a. Annual General Meeting

| | | |
|------------|---|--|
| Day & Date | : | Monday, 28 th September, 2015 |
| Time | : | 3.00 P.M. |
| Venue | : | Registered Office at S.F.No. 770/12, Avinashi Road Civil Aerodrome Post, Coimbatore - 641 014 |

b. Financial Calendar:

| | | |
|-------------------------|---|--|
| 1 st Quarter | : | 1 st April to 30 th June |
| 2 nd Quarter | : | 1 st July to 30 th September |
| 3 rd Quarter | : | 1 st October to 31 st December |
| 4 th Quarter | : | 1 st January to 31 st March |

c. Date of Book Closure : 22nd September, 2015 to 28th September 2015 (both days inclusive)

d. Listing of

| | | |
|------------------|---|--|
| a. Equity Shares | : | Bombay Stock Exchange Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 |
| | : | National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051. |

b. Listing Fees : Listing fees paid for the above Stock Exchanges for 2013-14 and 2015-16.

e. Custodial Fees : Custodial fees paid to the CDSL and NSDL for 2014-15 and 2015-16

f. Stock Exchange Security Code for Equity Shares :

| | | |
|--|---|---|
| Bombay Stock Exchange Limited | : | Scrip Code : 532998 – Scrip Name : LOTUSEYE |
| National Stock Exchange of India Limited | : | LOTUSEYE |

g. Demat ISIN Numbers in NSDL & CDSL for Equity Shares : INE 947I01017

h. Address of the Registered Office : SF No. 770/12, Avinashi Road, Civil Aerodrome Post, Coimbatore – 641 014

| | | |
|-------------------|---|--|
| Hospital Branches | : | 1. 155-B, East Periasamy Road, Near Opposite to Chinthamani, North Coimbatore, R.S.Puram, Coimbatore – 641 002. |
| | | 2. No.5(2), Gajalakshmi Theatre Road, Tirupur – 641 601. |
| | | 3. 86, Brindhavan Road, Fairlands, Salem – 636 004. |
| | | 4. No.140, Coimbatore Main Road, Opp. Bus Stand, Mettupalayam – 641 031. |
| | | 5. No.53/33A – 33F, Thejas Towers, SA Road, Kadavanthara, Cochin – 682 020. |
| | | 6. 229A, Kurisingal House, Mulanthuruy Post, Cochin – 382 314. |



8. Secretarial Audit

For each of the quarter in the Financial Year 2014-15, a qualified Practicing Company Secretary, carried out Secretarial Audits as stipulated by the Securities and Exchange Board of India to reconcile the total admitted capital, with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital.

The Audit Reports confirm that the total issued/paid-up capital is in agreement with total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL and in respect of the above, Quarterly Secretarial Audit Report was filed with the Stock Exchanges.

9. Market Price Data

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

| Month | Share Price in ₹. | | | |
|-----------------|-------------------|-------|------------------|-------|
| | BSE (High & Low) | | NSE (High & Low) | |
| April, 2014 | 07.30 | 05.52 | 07.10 | 04.90 |
| May, 2014 | 08.70 | 05.57 | 08.80 | 05.55 |
| June, 2014 | 13.10 | 06.74 | 13.05 | 06.90 |
| July, 2014 | 10.75 | 08.46 | 10.60 | 08.45 |
| August, 2014 | 10.17 | 08.20 | 10.00 | 08.15 |
| September, 2014 | 10.30 | 08.12 | 10.70 | 07.95 |
| October, 2014 | 10.30 | 08.60 | 10.40 | 08.05 |
| November, 2014 | 12.36 | 08.78 | 12.40 | 08.75 |
| December, 2014 | 12.96 | 09.50 | 12.60 | 09.65 |
| January, 2015 | 12.50 | 10.40 | 12.20 | 10.25 |
| February, 2015 | 13.30 | 10.25 | 13.20 | 10.15 |
| March, 2015 | 18.60 | 12.34 | 18.50 | 11.00 |

10. Distribution of Shareholders

a. Categories of Shareholders on 31.03.2015

| S.No | Category | No. of Share holders | No. of Shares held | % of paid up Share Capital |
|------|---------------------------------|----------------------|--------------------|----------------------------|
| 1 | Promoters and Promoters group | 5 | 11046197 | 53.12 |
| 2 | Foreign Institutional Investors | - | - | - |
| 3 | Bodies Corporate | 153 | 530643 | 2.55 |
| 4 | Individuals | 7312 | 8562044 | 41.17 |
| 5 | Others | 282 | 657446 | 3.16 |
| | Total | 7752 | 20796330 | 100.00 |

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

b. Distribution of Shareholding as on 31.03.2015

| Range (No. of Shares) | No. of Share holders | No. of Equity Shares | % of Shareholding |
|-----------------------|----------------------|----------------------|-------------------|
| 1 - 500 | 5698 | 1105218 | 5.31 |
| 501 - 1000 | 1010 | 880128 | 4.23 |
| 1001 - 2000 | 507 | 811889 | 3.90 |
| 2001 - 3000 | 167 | 434866 | 2.09 |
| 3001 - 4000 | 63 | 229825 | 1.11 |
| 4001 - 5000 | 92 | 442236 | 2.13 |
| 5001 - 10000 | 102 | 770742 | 3.71 |
| 10001 and above | 113 | 16121426 | 77.52 |
| Total | 7752 | 20796330 | 100.00 |

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

12. Dematerialization of Shares :

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

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

As on 31st March 2015, 99.99% of the Company's paid-up equity capital was held in dematerialized form (only 307 shares in the physical form).

13. Declaration by the Chairman and Managing Director under Clause 49 of the Listing Agreement regarding adherence to the Code of Conduct

In accordance with Sub-Clause I (D)(ii) of Clause 49 of the Listing Agreement with the Stock Exchanges, I hereby confirm that all the Directors and Senior Management personnel of the Company have affirmed compliance with their respective code of conduct, as applicable to them, for the Financial Year ended 31st March 2015.

for and on behalf of the Board

Place : Coimbatore
Date : 30th May, 2015

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



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

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

We have examined the compliance of conditions of corporate governance by Lotus Eye Hospital and Institute Limited for the year ended on 31.03.2015, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchange(s).

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

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

As required by the guidance note issued by the Institute of Chartered Accountants of India, we have to state that based on the representation given by the Registrars of the Company to the Investors' Grievance Committee as on 31st March, 2015, there were no investors' grievance matters against the Company remaining pending for more than 30 days.

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

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

Place : Coimbatore
Date : 30th May, 2015

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

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

CEO CERTIFICATE

To

The Board of Directors
Lotus Eye Hospital and Institute Limited

As required by clause 49 (V) of the Listing Agreement entered into with the Stock Exchanges.

I hereby certify that :

- a) I have reviewed the financial statements for the year ended 31st March, 2015 and that to the best of my 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 my 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) I accept that it is my responsibility to establish and maintain internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to the financial reporting and have disclosed to the auditors and the audit committee wherever applicable.
- d) I have indicated to the auditors and the audit committee that there are no
 - i) Deficiencies in the design or operation of internal controls if any, when come to my notice and took steps or propose to take steps to rectify those deficiencies.
 - ii) Significant changes in internal control.
 - iii) Significant changes in accounting policies and that the same have been disclosed in the notes to the financial statements.
 - iv) Instances of significant fraud of which I become aware and the involvement therein if any, of the management or an employee having a significant role in the company's internal control system.

for and on behalf of the Board

Place : Coimbatore
Date : 30th May, 2015

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



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of LOTUS EYE HOSPITAL AND INSTITUTE LIMITED, (Formerly Lotus Eye Care Hospital Limited) ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, and the Statement of Profit and Loss, and 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 of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the companies 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, 2015, and its loss and its cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report 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 Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement 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 31st March, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013; and
 - f. 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, if any, pending litigations as at 31st March, 2015 on its financial position in its financial statements - Refer Note 28 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For V E K A M AND ASSOCIATES

Firm Registration No: 05256S

Chartered Accountants

Place : Coimbatore

Date : 30th May, 2015

(Sd.) CA M.P. Panneerselvan

Partner

Membership No. 026129

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" in the Independent Auditors' report of even date to the members of **LOTUS EYE HOSPITAL AND INSTITUTE LIMITED** (Formerly Lotus Eye Care Hospital Limited) on the financial statements for the year ended 31st March, 2015.

- (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.
- (ii) a) As explained to us, the management has conducted physical verification of inventories at reasonable intervals during the year.
- b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventories. The discrepancies noticed on verification between the physical stocks and the book records have been properly dealt within the books of account.
- (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, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed Assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control systems of the Company.
- (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, wealth tax, customs duty, cess and other material statutory dues applicable to it have generally been regularly deposited with appropriate authorities though there have been slight delay in a few cases except that employees security deposit amounting to ₹. 19.60 Lacs has not been deposited separately with scheduled banks or post office savings scheme.

According to the information and explanation given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty and cess and any other material statutory dues applicable to it, were outstanding as at 31.03.2015 for a period of more than six months from the date they became payable.



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

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

- c) According to the information and explanations given to us, there were no amounts which were required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act 1956(1 of 1956) and rules made there under.
- (viii) The Company does not have accumulated losses as at 31st March, 2015 and the Company has not incurred any cash loss during the financial year and in the immediately preceding financial year.
- (ix) 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).
- (x) In our opinion and according to the information and explanations given to us the company has not given any guarantees for loans taken by others from banks or financial Institutions during the year.
- (xi) Based on the information and explanations given to us by the management, term loans have been applied for the purpose for which the said loans were obtained.
- (xii) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

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

Place : Coimbatore
Date : 30th May, 2015

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

Membership No. 026129

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Balance Sheet as at 31st March, 2015

(₹. in Lacs)

| Particulars | Note No. | As on 31.03.2015 | As on 31.03.2014 |
|------------------------------------|----------|------------------|------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 2 | 2,079.63 | 2,079.63 |
| (b) Reserves and Surplus | 3 | 2,858.78 | 3,056.86 |
| (2) Non-Current Liabilities | | | |
| (a) Long-Term Borrowings | 4 | 66.67 | 4.59 |
| (b) Deferred Tax Liabilities (Net) | 5 | - | 21.15 |
| (c) Long-Term Provisions | 6 | 27.17 | 20.02 |
| (3) Current Liabilities | | | |
| (a) Trade Payables | 7 | 318.31 | 285.33 |
| (b) Other Current Liabilities | 8 | 280.82 | 359.85 |
| (c) Short-Term Provisions | 9 | 10.13 | 27.98 |
| TOTAL | | 5,641.51 | 5,855.41 |
| II. ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Fixed Assets | 10 | | |
| (i) Tangible Assets | | 4,698.66 | 4,686.97 |
| (ii) Intangible Assets | | 5.38 | 7.12 |
| (iii) Capital work in progress | | 27.36 | 36.28 |
| | | 4,731.40 | 4,730.37 |
| (b) Deferred Tax Asset (Net) | 11 | 3.20 | - |
| (c) Long term loans and advances | 12 | 339.96 | 463.45 |
| (2) Current Assets | | | |
| (a) Inventories | 13 | 308.52 | 363.72 |
| (b) Trade receivables | 14 | 35.31 | 39.42 |
| (c) Cash and cash equivalents | 15 | 51.55 | 92.01 |
| (d) Short-term loans and advances | 16 | 171.57 | 166.44 |
| Branch / (HO) - Balance | | - | - |
| TOTAL | | 5,641.51 | 5,855.41 |

Significant Accounting Policies & Notes on Financial Statements 1 to 29

As per our Report of even date attached

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

Firm Registration No: 05256S

Chartered Accountants

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

Partner

Membership No. 026129

Place : Coimbatore

Date : 30th May, 2015

For and on behalf of the Board of Directors

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

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

(Sd.) **CS K. Rangasamy**
Company Secretary

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



Statement of Profit and Loss Account for the year ended 31st March, 2015 (₹. in Lacs)

| Particulars | Note No. | As on 31.03.2015 | As on 31.03.2014 |
|--|----------|------------------|------------------|
| INCOME: | | | |
| Revenue from operations | 17 | 2,989.80 | 2,869.46 |
| Other Income | 18 | 43.42 | 39.06 |
| TOTAL REVENUE | | 3,033.22 | 2,908.52 |
| EXPENSES: | | | |
| Cost of materials consumed | 19 | 414.88 | 265.72 |
| Purchase of Stock-in-Trade | 20 | 528.16 | 521.48 |
| Service Expenses | 21 | 590.96 | 594.59 |
| Changes in inventories | 22 | (15.09) | 9.68 |
| Employee Benefit Expenses | 23 | 552.41 | 550.17 |
| Financial Cost | 24 | 5.52 | 0.97 |
| Depreciation and Amortization Expenses | 25 | 476.19 | 353.71 |
| Other Expenses | 26 | 705.21 | 602.21 |
| TOTAL EXPENSES | | 3,258.24 | 2,898.53 |
| Profit / (Loss) before Tax and Exceptional item | | (225.02) | 9.98 |
| Exceptional Items | | | |
| Profits / (Loss) on Sale of Fixed Assets | 27 | 0.29 | - |
| Depreciation Withdrawn | | 2.30 | - |
| Profit / (Loss) Before Tax | | (222.43) | 9.98 |
| Tax Expenses | | | |
| (1) Current tax (including provisions) | | - | 1.90 |
| (2) Deferred tax (Income / Expenses) | | 24.35 | 4.18 |
| Profit / (Loss) for the year | | (198.08) | 3.90 |
| Earning per equity share : | | | |
| (1) Basic | | (0.95) | 0.02 |
| (2) Diluted | | (0.95) | 0.02 |

Significant Accounting policies & Notes on Financial statements 1 to 29

| | |
|---|--|
| <p>As per our Report of even date attached</p> <p>For V E K A M AND ASSOCIATES Firm Registration No: 05256S Chartered Accountants</p> <p>(Sd.) CA M.P. Panneerselvan Partner Membership No. 026129 Place : Coimbatore Date : 30th May, 2015</p> | <p>For and on behalf of the Board of Directors</p> <p>(Sd.) Dr. S.K. Sundaramoorthy Chairman and Managing Director</p> <p>(Sd.) CA R. Subramanian Director</p> <p>(Sd.) CS K. Rangasamy Company Secretary</p> <p>(Sd.) CA M. Venkatachalapathi Chief Financial Officer</p> |
|---|--|

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

(₹. in lacs)

| Particulars | For the year 2014-15 | For the year 2013-14 |
|---|-------------------------|-------------------------|
| A) CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit / Loss Before Tax and after Extraordinary Items | (222.42) | 9.98 |
| ADJUSTMENTS FOR:- | | |
| Depreciation | 476.18 | 351.06 |
| Income on Investments | (9.57) | (27.45) |
| Depreciation Withdrawn | (2.30) | 0.00 |
| Preliminary Expenses Written off | - | 2.65 |
| Interest Expenses | 5.52 | 0.97 |
| Operating profit before working capital changes | 247.40 | 337.20 |
| ADJUSTMENTS FOR:- | | |
| (Increase) / Decrease in Inventories | 55.20 | (48.78) |
| (Increase) / Decrease in Trade Receivables | 4.11 | (8.49) |
| (Increase) / Decrease in Short Term Loans and Advances | (5.13) | 3.94 |
| Increase / (Decrease) in Current Liability | (63.90) | 159.45 |
| Cash Generated From (Used in) Operating Activities | 237.68 | 443.31 |
| Tax Paid | - | (1.90) |
| Net Cash Generated from / (used in) Operating Activity | 237.68 | 441.41 |
| B) CASH FLOW FROM INVESTMENT ACTIVITIES | | |
| Purchase of Fixed Assets | (548.52) | (507.78) |
| Capital Work in Progress | - | (25.03) |
| Sales of Assets | 73.61 | - |
| Interest Received | 9.57 | 27.45 |
| Net Cash Generated from (Used in) Investing Activities | (465.34) | (505.36) |
| C) CASH FLOW FROM FINANCING ACTIVITIES | | |
| Interest Expenses | (5.52) | (0.97) |
| Increase / (Decrease) in Long Term Borrowings | 62.09 | (6.86) |
| Increase / (Decrease) in Long Term Provisions | 7.15 | 5.20 |
| Increase / (Decrease) in Long Term Loans & Advances | 123.49 | (74.13) |
| Net Cash From / (Used in) Financing Activities | 187.21 | (76.76) |
| (Increase) / Decrease In Cash and Cash Equivalents | (40.45) | (140.71) |
| Cash and Cash Equivalents at the Beginning of the Year | 92.01 | 232.72 |
| Cash and Cash Equivalents at the End of the Year | 51.55 | 92.01 |
| Cash on Hand | 8.88 | 16.56 |
| Balance With Bank | 42.67 | 75.45 |

As per our Report of even date attached

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

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

Membership No. 026129

Place : Coimbatore

Date : 30th May, 2015

For and on behalf of the Board of Directors

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

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

(Sd.) **CS K. Rangasamy**
Company Secretary

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



Note No – 1

A. Nature of Operations :

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

B. SIGNIFICANT ACCOUNTING POLICIES:

a. Method of Accounting

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

b. Use of estimates :

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

c. Fixed Assets, Depreciation and Amortization

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.

There is a change in the method of depreciation due to the amendments brought in by the Companies Act, 2013 which replaces schedule XIV of the Companies Act, 1956 with schedule II. Depreciation in fixed assets is provided under Written Down Value Method at the rates determined based on Useful Lives of the respective assets and the residual values in accordance with Schedule II of the companies Act, 2013.

On Improved Leased Assets, the value capitalized in the earlier year under the heading Building has been bifurcated as Improved Leased Asset and has been equally written off over the Prime Lease Period of 5 years in Kochi and in Salem Prime Lease period of 3 years and renewable for further period of 3 years has been written off in 5 years from the Financial Year 2011-12 onwards.

d. Inventories

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

e. Revenue Recognition

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

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

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f. Borrowing Cost

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

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

g. Lease

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

h. Translation of Foreign Currency Transactions:

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

i. Retirement Benefits

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

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

j. Taxes on Income

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

k. Interim Financial Reporting

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

l. Impairment of Assets

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

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

m. Contingent Liabilities

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



Amounts in the financial statements are presented in ₹. in Lacs, except for per share and as otherwise stated

NOTE NO: 2 SHARE CAPITAL

(₹. in lacs)

| Sl. No. | Particulars | As at 31.03.2015 | As at 31.03.2014 |
|-----------|---|------------------|------------------|
| 1. | Authorised Capital | | |
| | 2,50,00,000 Equity Shares of ₹. 10/- each. | - | 2,500.00 |
| | | 2,500.00 | 2,500.00 |
| 2. | Issued, Subscribed & Paid up capital | | |
| | 2,07,96,330 Equity Shares of ₹. 10/- each | 2,079.63 | 2,079.63 |
| | Total | 2,079.63 | 2,079.63 |

- 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 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. In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in Proportion to the number of equity shares held by the shareholders.
- i. **Details of Shareholders holding more than 5% shares in the Company**

| Sl. No. | Name of the Shareholder | Equity share | | Equity shares | |
|---------|-------------------------|--------------------|--------------|--------------------|--------------|
| | | As at 31.03.2015 | | As at 31.03.2014 | |
| | | No. of shares held | % of holding | No. of shares held | % of holding |
| 1 | Dr. S.K. Sundaramoorthy | 10,599,887 | 50.97 | 10,596,420 | 50.95 |

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

| Sl. No. | Particulars | Equity share As at 31.03.2015 | | Equity shares As at 31.03.2014 | |
|---------|--|----------------------------------|-----------------|-----------------------------------|-----------------|
| | | No. of shares | Amount in ₹. | No. of shares | Amount in ₹. |
| 1 | At the beginning of the period | 20,796,330 | 207,963,300 | 20,796,330 | 207,963,300 |
| | Add: Shares issued during the year | - | - | - | - |
| | Less: Shares bought back during the year | - | - | - | - |
| | Add: Other movements during the year | - | - | - | - |
| | Outstanding at the end of the period | 20,796,330 | 207,963,300 | 20,796,330 | 207,963,300 |

k. The Company has no stock option plans

Note No. 3 Reserves & Surplus

| Sl. No. | Particulars | | ₹. in lacs | |
|---------|--|---|---------------------|---------------------|
| | | | As at 31.03.2015 | As at 31.03.2014 |
| 1. | Share Premium Reserve | A | 2,514.14 | 2,514.14 |
| 2. | Surplus (Profit & Loss Account) | | | |
| | Balance brought forward from previous year | | 542.72 | 538.82 |
| | Add: Profit / (Loss) for the period | | (198.08) | 3.90 |
| | | B | 344.64 | 542.72 |
| | Total (A + B) | | 2,858.78 | 3,056.85 |

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

b. Utilization of Initial Public Offer (IPO) funds up to 31st March, 2015

| Details | As at 31.03.2015 | As at 31.03.2014 |
|---|---------------------|---------------------|
| 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 | 70.12 |
| Net IPO Proceeds | 3,483.35 | 3,482.26 |
| Less : Funds deployed towards the project | 3,483.12 | 3,447.52 |
| Unutilized IPO funds deposited in the form of Temporary investment/Current account with bank | 0.23 | 34.74 |



Non-Current Liabilities

Note No. 4 Long Term Borrowings

(₹. in lacs)

| Sl. No. | Particulars | As at 31.03.2015 | As at 31.03.2014 |
|---------|------------------|---------------------|---------------------|
| 1. | Term Loan | | |
| | From Bank | | |
| | Canara Bank | 2.31 | 4.59 |
| | HDFC Bank Ltd | 64.36 | - |
| | Total | 66.67 | 4.59 |

1. The term loan availed from Canara Bank and HDFC Bank Limited for the purchase of assets secured by the hypothecation of Maruthi Swift Car and Hospital Equipments Purchased.

Note No. 5 Deferred Tax Liabilities (Net)

| Sl. No. | Particulars | As at 31.03.2015 | As at 31.03.2014 |
|---------|--|---------------------|---------------------|
| 1. | Deferred tax liability on account of Accumalted Depreciation | - | 16.97 |
| | Less: Deferred tax liability | - | 4.18 |
| | Total | - | 21.15 |

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

Note No. 6 Long Term provisions

| Sl. No. | Particulars | As at 31.03.2015 | As at 31.03.2014 |
|---------|------------------------|---------------------|---------------------|
| | Provision for Grautity | 27.17 | 20.02 |
| | Total | 27.17 | 20.02 |

Note No. 7 Trades Payable

| Sl. No. | Particulars | As at 31.03.2015 | As at 31.03.2014 |
|---------|---------------------------------|---------------------|---------------------|
| A | Sundry Creditors for Services: | | |
| | i) Consumables and Contact Lens | 100.37 | 89.82 |
| | ii) Pharmacy | 38.67 | 38.12 |
| | iii) Optical Lens & Frames | 103.82 | 94.68 |
| | iv) Canteen | 2.84 | 2.35 |
| B | Others | 72.61 | 60.36 |
| | Total | 318.31 | 285.33 |

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

Note No. 8 Other Current Liabilities

(₹. in lacs)

| Sl.No | Particulars | As at | As at |
|-------|---------------------------------------|---------------|---------------|
| | | 31.03.2015 | 31.03.2014 |
| i | Current maturities of long term debt. | 16.42 | 12.68 |
| ii | Accrued salaries and benefits | 32.52 | 34.15 |
| iii | Advance received from customers | 27.66 | 8.42 |
| iv | Statutory Dues | 18.56 | 20.19 |
| v | Creditors for Capital Goods | 161.98 | 253.99 |
| vi | Other Liabilities | 23.68 | 30.42 |
| | Total | 280.82 | 359.85 |

- a. Other liabilities includes caution deposit collected from employees who are in service amounting to ₹. 19.60 Lacs.

Note No. 9 Short Term Provisions

| Sl.No | Particulars | As at | As at |
|-------|--|--------------|--------------|
| | | 31.03.2015 | 31.03.2014 |
| 1 | Provision for employee benefits | | |
| | a. Provision for Gratuity | 4.01 | 7.15 |
| 2. | Provision for Tax (Including wealth tax) | - | 2.90 |
| 3 | Other Short term provisions | 6.12 | 17.93 |
| | Total | 10.13 | 27.98 |

Note No.10 : FIXED ASSETS

(₹. in lacs)

| Particulars | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | |
|-----------------------------------|-----------------|--------------------------|---------------------------|------------------|------------------|------------------------------|---------------------------|------------------|---------------------|
| | As at 1.04.2014 | Addition During the Year | Deduction during the year | As at 31.03.2015 | As at 31.03.2014 | Depreciation During the year | Deduction during the year | As at 31.03.2015 | WDV As at 31.3.2014 |
| Tangible Assets | | | | | | | | | |
| Land | 2,353.08 | - | - | 2,353.08 | - | - | - | - | 2,353.08 |
| Buildings | 1,163.62 | 12.80 | - | 1,176.42 | 297.52 | 41.87 | - | 339.39 | 837.03 |
| Furniture & Fixtures | 105.72 | 8.94 | - | 114.66 | 53.71 | 16.35 | - | 70.06 | 44.60 |
| Office Equipments | 43.91 | 7.38 | - | 51.30 | 24.17 | 8.23 | - | 32.40 | 18.90 |
| Electrical Equipments | 229.02 | 36.65 | - | 265.66 | 115.05 | 47.81 | 0.12 | 162.75 | 102.91 |
| Plant and Machinery | 1,288.51 | 18.16 | 73.61 | 1,233.06 | 550.27 | 143.46 | 4.35 | 689.37 | 543.69 |
| Hospital Equipments | 1,289.03 | 311.45 | - | 1,600.48 | 939.62 | 102.28 | - | 1,041.90 | 558.58 |
| Vehicles | 116.48 | - | - | 116.48 | 60.69 | 18.93 | - | 79.62 | 36.85 |
| Computers | 59.49 | 29.06 | - | 88.55 | 43.52 | 11.84 | - | 55.36 | 33.19 |
| Sub Total (A) | 6,648.86 | 424.43 | 73.61 | 6,999.68 | 2,084.54 | 390.79 | 4.47 | 2,470.85 | 4,528.83 |
| Intangible Assets | | | | | | | | | |
| Software | | | | | | | | | |
| Sub Total (B) | 15.73 | 1.70 | - | 17.43 | 8.61 | 3.44 | - | 12.04 | 5.38 |
| Capital Work in Progress | | | | | | | | | |
| Building RSP | 27.36 | - | - | 27.36 | - | - | - | - | 27.36 |
| Vinayagar Temple | 8.92 | 2.83 | 11.74 | - | - | - | - | - | 8.92 |
| Sub Total (C) | 36.28 | 2.83 | 11.74 | 27.36 | - | - | - | - | 36.28 |
| Total (A+B+C) Current Year | 6,700.87 | 428.96 | 85.35 | 7,044.47 | 2,093.15 | 394.22 | 4.47 | 2,482.90 | 4,561.57 |
| Previous Year | 6,190.53 | 517.10 | 6.76 | 6,700.87 | 1,795.60 | 297.54 | - | 2,093.14 | 4,607.72 |

| Particulars | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | |
|----------------------------------|-----------------|--------------------------|------------------------------------|------------------|------------------|------------------------------|---------------------------|-----------------------------------|---------------------|
| | As at 1.04.2014 | Addition During the Year | Deletion/ transfer during the year | As at 31.03.2015 | As at 31.03.2014 | Depreciation During the year | Depreciation Written back | Asset Written off during the year | WDV As at 31.3.2014 |
| Improved Leased Asset | | | | | | | | | |
| Salem New Building | 26.47 | - | 0.99 | 25.47 | 15.88 | 9.59 | - | 25.47 | 10.59 |
| Salem Brindavan | - | 116.86 | - | 116.86 | - | 15.52 | - | 15.52 | - |
| Salem Old Building | 19.10 | - | 0.72 | 18.39 | 11.46 | 6.93 | - | 18.39 | 7.64 |
| Mettupalayam | 40.85 | - | - | 40.85 | 11.43 | 9.55 | - | 20.99 | 29.42 |
| Cochin Super Structure | 187.65 | 14.00 | - | 201.65 | 112.66 | 40.36 | - | 153.02 | 74.99 |
| Sub Total (D) | 274.07 | 130.86 | 1.71 | 403.22 | 151.43 | 81.95 | - | 233.39 | 122.64 |
| Previous Year | 251.60 | 22.51 | - | 274.11 | 97.88 | 53.55 | - | 151.44 | 153.68 |
| Grand Total Current Year | 6,974.94 | 559.81 | 87.06 | 7,447.70 | 2,244.58 | 476.19 | 4.47 | 2,716.30 | 4,730.37 |
| Grand Total Previous Year | 6,442.13 | 539.61 | 6.76 | 6,974.98 | 1,893.49 | 351.09 | - | 2,244.58 | 4,548.61 |

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| Note No. 11 Deferred Tax Asset (Net) | | (₹. in lacs) | |
|--------------------------------------|---|---------------------|---------------------|
| Sl. No. | Particulars | As at 31.03.2015 | As at 31.03.2014 |
| i. | Deferred tax liability on account of Accumaltd Depreciation | 21.15 | - |
| | Less: Deferred tax Asset created during the year | 24.35 | - |
| | Total | 3.20 | - |

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

Note No. 12 Long Term Loans and Advances

| Sl. No. | Particulars | As at 31.03.2015 | As at 31.03.2014 |
|---------|-----------------------------|---------------------|---------------------|
| 1. | Capital Advances | 189.76 | 253.58 |
| 2. | Security Deposit | | |
| | Electricity & Other Deposit | 11.81 | 33.04 |
| | Bank Guarantee Deposit | - | 26.64 |
| 3. | Other Loans and advances | | |
| | Rent Deposits | 138.39 | 150.19 |
| | Total | 339.96 | 463.45 |

Note No. 13 Inventories

| Sl. No. | Particulars | As at 31.03.2015 | As at 31.03.2014 |
|---------|----------------|---------------------|---------------------|
| 1 | Pharmacy | 24.41 | 22.38 |
| 2 | Canteen | 0.24 | 0.28 |
| 3 | Consumables | 86.01 | 156.30 |
| 4 | Optical Frames | 187.48 | 172.01 |
| 5 | Contact lens | 10.38 | 12.75 |
| | Total | 308.52 | 363.72 |

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

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

Note No. 14 Trade Receivables

| Sl. No. | Particulars | As at 31.03.2015 | As at 31.03.2014 |
|---------|---|---------------------|---------------------|
| 1 | Outstanding for more than six months | | |
| | a) Unsecured, Considered Good | 1.72 | 7.00 |
| 2 | Other | | |
| | a) Unsecured, Considered Good | 33.59 | 32.42 |
| | Total | 35.31 | 39.42 |



Note No. 15 Cash & Cash Equivalents

(₹. in lacs)

| Sl. No. | Particulars | As at 31.03.2015 | As at 31.03.2014 |
|----------------|---------------------------------|-------------------------|-------------------------|
| a) | Cash and cheques on hand | 8.88 | 16.57 |
| b) | Balance with Banks | | |
| | In Current Accounts | (100.03) | (90.45) |
| | In Deposit Accounts | 142.71 | 165.89 |
| | | 42.67 | 75.44 |
| | Total | 51.55 | 92.01 |
| | Current account includes | | |
| i) | Public issue refund account | 0.26 | 0.26 |
| ii) | Public issue current account | 0.23 | 0.51 |

a. Out of Public issue, Refund amounting to ₹. 0.26 lacs has been kept in a separate bank account (Axis Bank Ltd)

b. Current account includes unutilized IPO funds amounting to ₹. 0.23 lacs (Indian Overseas Bank)

Note No. 16 Short Term Loans and Advances

| Sl. No. | Particulars | As at 31.03.2015 | As at 31.03.2014 |
|----------------|----------------------|-------------------------|-------------------------|
| a) | Advance for expenses | 91.71 | 98.77 |
| b) | Prepaid expenses | 79.86 | 67.67 |
| | Total | 171.57 | 166.44 |

Note No. 17 Revenue from Operations

| Sl. No. | Particulars | As at 31.03.2015 | As at 31.03.2014 |
|----------------|------------------------------|-------------------------|-------------------------|
| 1 | Income From Medical Services | 1,909.79 | 1,744.19 |
| 2 | Income from Other utilities | 53.57 | 46.12 |
| 3 | Pharmacy Sales | 256.81 | 253.26 |
| 4 | Contact Lens & Opticals | 769.63 | 825.88 |
| | Total | 2,989.80 | 2,869.46 |

Note No. 18 Other Income

| Sl. No. | Particulars | As at 31.03.2015 | As at 31.03.2014 |
|----------------|--------------------|-------------------------|-------------------------|
| 1 | Interest on FDR's | 9.57 | 27.45 |
| 2 | Other Receipts | 33.85 | 11.61 |
| | Total | 43.42 | 39.06 |

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Note No. 19 Cost of Material Consumed

(₹. in lacs)

| Sl. No. | Particulars | As at 31.03.2015 | As at 31.03.2014 |
|---------|----------------------|---------------------|---------------------|
| 1 | Opening Stock | 156.30 | 97.83 |
| 2 | Add : Purchase | 344.59 | 324.19 |
| | | 500.89 | 422.02 |
| 3 | Less : Closing Stock | 86.01 | 156.30 |
| | Total | 414.88 | 265.72 |

Note No. 20 Purchase of Stock in Trade

| Sl. No. | Particulars | As at 31.03.2015 | As at 31.03.2014 |
|---------|-------------------------------------|---------------------|---------------------|
| 1 | Pharmacy Purchase | 166.33 | 159.27 |
| 2 | Purchase of Contact Lens & Opticals | 327.35 | 328.05 |
| 3 | Canteen & Utility Purchase | 34.48 | 34.16 |
| | Total | 528.16 | 521.48 |

Note No. 21 Service Expenses

| Sl. No. | Particulars | As at 31.03.2015 | As at 31.03.2014 |
|---------|---------------------------------|---------------------|---------------------|
| 1 | Professional charges to Doctors | 509.33 | 511.30 |
| 2 | Power & Fuel | 81.63 | 83.29 |
| | Total | 590.96 | 594.59 |

Note No. 22 Changes in Inventories

| Sl. No. | Particulars | As at 31.03.2015 | As at 31.03.2014 |
|---------|---|---------------------|---------------------|
| 1 | Opening Stock | 207.42 | 217.10 |
| 2 | Closing Stock | 222.51 | 207.42 |
| | (Increase) / Decrease in Inventories | (15.09) | 9.68 |

Note No. 23 Employee Benefit Expenses

| Sl. No. | Particulars | As at 31.03.2015 | As at 31.03.2014 |
|---------|---|---------------------|---------------------|
| 1 | Salaries & Bonus | 466.83 | 466.94 |
| 2 | Contribution to Provident and other Funds | 41.45 | 38.51 |
| 3 | Staff Welfare Expenses | 8.13 | 8.72 |
| 4 | Directors Remuneration | 36.00 | 36.00 |
| | Total | 552.41 | 550.17 |


Note No. 24 Financial Cost
(₹. in lacs)

| Sl. No. | Particulars | As at 31.03.2015 | As at 31.03.2014 |
|---------|-----------------------|---------------------|---------------------|
| 1 | Interest on Car loan | 0.80 | 0.06 |
| 2 | Interest on Term loan | 4.71 | 0.91 |
| | Total | 5.52 | 0.97 |

Note No. 25 Depreciation & Amortised Cost

| Sl. No. | Particulars | As at 31.03.2015 | As at 31.03.2014 |
|---------|------------------------------------|---------------------|---------------------|
| 1 | Depreciation | 396.53 | 297.54 |
| | Less: Depreciation Withdrawn | 2.30 | - |
| | | 394.23 | 297.54 |
| 2 | Preliminary Expenses W/O | - | 2.65 |
| 3 | Improved Leased assets Written off | 81.96 | 53.52 |
| | Total | 476.19 | 353.71 |

Note No. 26 Other Expenses

| Sl. No. | Particulars | As at 31.03.2015 | As at 31.03.2014 |
|---------|---|---------------------|---------------------|
| 1 | Hospital Upkeep Expenses | 22.15 | 15.18 |
| 2 | Advertisement & Publicity | 42.13 | 40.41 |
| 3 | Auditors Remuneration | 3.35 | 2.98 |
| 4 | Interanal Auditors Remuneration | 6.00 | - |
| 5 | Bank Charges | 4.52 | 3.19 |
| 6 | Board and AGM Meeting Expenses | 6.95 | 3.34 |
| 7 | Camp Expenses | 16.30 | 1.21 |
| 8 | Directors Sitting Fees | 1.81 | 1.47 |
| 9 | Donation | 0.21 | - |
| 10 | Insurance Expenses | 10.98 | 10.86 |
| 11 | VAT TDS Interest & Interst on TDS | 1.69 | - |
| 12 | License & taxes | 11.53 | 13.68 |
| 13 | Marketing,Conference expenses | 20.59 | 6.67 |
| 14 | Postage & Telegram | 4.52 | 3.03 |
| 15 | Printing & Stationery Expenses | 19.72 | 19.50 |
| 16 | Professional & Recommendation Charges | 27.78 | 29.47 |
| 17 | Rent | 265.88 | 216.59 |
| 18 | Sales Tax & Service Tax Paid | 6.26 | 44.00 |
| 19 | Security Expesnes | 21.51 | 18.18 |
| 20 | Sundry balance written off | 16.92 | - |
| 21 | Telephone Expenses | 15.81 | 13.77 |
| 22 | Travelling Expenses | 4.64 | 6.84 |
| 23 | Water Charges | 10.74 | 8.93 |
| 24 | Prior Period Expenses | 23.63 | 4.25 |
| 25 | Repairs & Maintenance - Building | 16.12 | 7.00 |
| 26 | Repairs & Maintenance - Equipment & AMC | 68.07 | 79.50 |
| 27 | Repairs & Maintenance - Electrical | 6.15 | 7.03 |
| 28 | Repairs & Maintenance - Vehicle | 17.01 | 17.98 |
| 29 | Repairs & Maintenance - Computer | 2.12 | 5.11 |
| 30 | Repairs & Maintenance - Others | 1.47 | 1.19 |
| 31 | Administrative & Other Expenses | 28.67 | 20.86 |
| | Total | 705.21 | 602.21 |

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Note No: 27 Exceptional Items

1. The Company has sold its Generator & Refregirator during the Year.
2. The Income from Sales is reflected as Exceptional Item in Consolidated Statement of Profit and Loss.

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

(₹. in lacs)

| Sl. No. | Particulars | As at 31.03.2015 | As at 31.03.2014 |
|---------|---|---------------------|---------------------|
| 1. | Contingent Liabilities | | |
| a. | On account of Pending Litigations Sales Tax Matters (along with Interest & Penalty if any) | 1.89 | - |
| | Total | 1.89 | - |

Auditors Remuneration

| Sl. No. | Particulars | As at 31.03.2015 | As at 31.03.2014 |
|---------|---|---------------------|---------------------|
| 1 | For Statutory Audit | 2.25 | 2.25 |
| 2 | For Tax Audit | 0.40 | 0.40 |
| 3 | For VAT Audit | 0.15 | - |
| 4. | For Tax Representation For Service Tax | 0.18 0.37 | - 0.33 |
| | Total | 3.35 | 2.98 |

Prior Period Expenses includes

| Sl. No. | Particulars | As at 31.03.2015 | As at 31.03.2014 |
|---------|----------------------------------|---------------------|---------------------|
| 1 | Personnel Cost | 0.22 | 0.07 |
| 2 | Professional Charges | 0.43 | 0.00 |
| 3 | Purchase | 2.01 | 3.06 |
| 4 | Boarding & Travelling Expenses | 0.01 | 0.41 |
| 5 | Selling Expenses | 10.58 | 0.80 |
| 6 | Service Expenses | 0.04 | 0.08 |
| 7 | Repairs & Maintenance | 0.49 | 1.29 |
| 8 | Other Administrative Expenses | 11.37 | 0.96 |
| 9 | Discount received & Other Income | (1.54) | (2.42) |
| | Total | 23.63 | 4.25 |

General Note No: 29

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

| | 31.03.2015 | 31.03.2014 |
|---|-------------|------------|
| Net Profit / (Loss) after tax | (198.08) | 3.90 |
| Number of shares issued | 2,07,96,330 | 20796330 |
| The Nominal value per equity share (₹.) | 10 | 10 |
| Basic/Diluted EPS | (0.95) | 0.02 |

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

3. Related party disclosure :

List of related parties as identified by the management are as under

(I) Name of related parties and description of relationship

- a. Key Management Personnel : 1. Dr. S.K.Sundaramoorthy
2. Ms. Sangeetha Sundaramoorthy
- b. Other related parties : Lotus Vision Research Trust

(II) Related party transaction in 2014-15

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 lacs)

| Nature of transaction | Key Management personnel | Other related parties | Total |
|-----------------------|--------------------------|-----------------------|-------|
| Lease rent paid | 19.92 | 9.60 | 29.52 |
| Lease rent received | - | 1.14 | 1.14 |
| Remuneration | 37.30 | - | 37.30 |
| Others | - | - | - |
| Cheque received | - | - | - |

Remuneration paid to Managing / Whole-time Director during the year 2014-15

Remuneration ₹. 36.00 Lacs

House Rent including Perquisites ₹. 1.30 Lacs

4. Disclosure regarding lease transactions :

- a. Lease rent paid to Dr.S.K.Sundaramoorthy for leasing medical equipments to the company ₹. 19.92 Lacs.
- b. Lease rent paid to Lotus Vision Research Trust for leasing medical equipments to the company ₹. 9.60 Lacs.

5. No dividend is recommended for the financial year 2014-15.

6. Amount of contribution to employees provident fund during the year is ₹. 25.47 Lacs (previous year ₹. 17.18 Lacs)

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

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

9. Segment Reporting :

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

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

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

12. Expenditure on Foreign exchange During the year is ₹. 275.75 Lacs.

i) CIF value of imports

- a. Capital goods ₹. 258.21 Lacs
- b. Consumable and spares ₹. 17.54 Lacs

ii) Earnings in foreign currency NIL

iii) Expenditure in foreign currency - Travel & others NIL

iv) Dividend paid in foreign currency NIL

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

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

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

Defined benefit plan:

(in ₹.)

| | 31.03.2015 | 31.03.2014 |
|---|------------|------------|
| A. Change in the present value of obligation – Reconciliation of opening and closing balances: | | |
| Present value of the obligation as at the beginning of the period | 2717036 | 2002100 |
| Interest cost | 241816 | 158166 |
| Current service cost | 785661 | 661730 |
| Past service cost – (non vested benefits) | - | - |
| Past service cost – (vested benefits) | - | - |
| Benefits paid | - | - |
| Actuarial loss / (gain) on obligation (balancing figure) | (626025) | (104957) |
| PVO as at the end of the period | 3118491 | 2717039 |
| B. Change in the fair value of plan assets – Reconciliation of opening and closing balances: | | |
| Fair value of plan assets as at the beginning of the period | - | - |
| Expected return on plan assets | - | - |
| Contributions | - | - |
| Benefits paid | - | - |
| Actuarial gain / (loss) on plan assets (balancing figure) | - | - |
| Fair value of plan assets as at the end of the period | - | - |
| C. Actual return on plan assets | | |
| Expected return on plan assets | - | - |
| Actuarial gain / (loss) on plan assets | - | - |
| Actual return on plan assets | - | - |
| D. Actuarial gain / loss recognized | | |
| Actuarial gain / (loss) for the period – Obligation | 626025 | 104957 |
| Actuarial gain / (loss) for the period – Plan Assets | - | - |
| Total (gain) / loss for the period | (626025) | (104957) |
| Actuarial (gain) / loss recognized in the period | (626025) | (104957) |
| Unrecognized actuarial (gain) / loss at the end of the year | - | - |
| E. Amounts recognized in the Balance Sheet and related analysis | | |
| Present value of the obligation | 3118491 | 2717039 |
| Fair value of plan assets | - | - |
| Difference | 3118491 | 2717039 |
| Unrecognized transitional liability | - | - |
| Unrecognized past service cost – non vested benefits | - | - |
| Liability recognized in the balance sheet | 3118491 | 2717039 |



| | | |
|--|--------------|--------------|
| F. Expenses recognized in the statement of Profit and Loss: | | |
| Current service cost | 785661 | 661730 |
| Interest cost | 241816 | 158166 |
| Expected return on plan assets | - | - |
| Net actuarial (gain) / loss recognized in the year | (626025) | (104957) |
| 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 | 401452 | 714939 |
| G. Movements in the liability recognized in the balance sheet | | |
| Opening net liability | 2717039 | 2002100 |
| Expenses as above | 401452 | 714939 |
| Contribution paid | - | - |
| Closing net liability | 3118491 | 2717039 |
| H. Amount for the current period | | |
| Present value of obligation | 3118491 | 2717039 |
| Plan assets | - | - |
| Surplus / (Deficit) | (3118491) | (2717039) |
| Experience adjustments on plan liabilities – (loss) / gain | 23858 | (33189) |
| I. Principal Actuarial assumptions (Expressed as weighted averages) | | |
| Discount rate | 0.00% | 0.00% |
| Salary escalation rate | 0.00% | 0.00% |
| Attrition rate | 0.00% | 0.00% |
| Expected rate of return on plan assets | 0.00% | 0.00% |
| J. Major categories of plan assets as percentage of total plan assets | | |
| Government of India Securities | 0.00% | 0.00% |
| State Government Securities | 0.00% | 0.00% |
| High Quality Corporate Bonds | 0.00% | 0.00% |
| Equity Shares of listed Companies | 0.00% | 0.00% |
| Property | 0.00% | 0.00% |
| Insurer managed | 0.00% | 0.00% |
| Mutual Funds | 0.00% | 0.00% |
| Bank Deposits | 0.00% | 0.00% |
| Total | 0.00% | 0.00% |

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

| | | |
|--|--|---|
| As per our Report of even date attached | For and on behalf of the Board of Directors | |
| For V E K A M AND ASSOCIATES Firm Registration No: 05256S Chartered Accountants | (Sd.) Dr. S.K. Sundaramoorthy Chairman and Managing Director | |
| (Sd.) CA M.P. Panneerselvan Partner Membership No. 026129 | (Sd.) CA R. Subramanian Director | (Sd.) CA M. Venkatachalapathi Chief Financial Officer |
| Place : Coimbatore Date : 30 th May, 2015 | (Sd.) CS K. Rangasamy Company Secretary | |



LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

CIN : L85110TZ1997PLC007783

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

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

Phone: 0422 4229900 Fax: 0422 4229933

ATTENDANCE SLIP

18th ANNUAL GENERAL MEETING

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

I hereby record my presence at the 18th ANNUAL GENERAL MEETING of the Company held on Monday, the 28th September, 2015 at 3.00 P.M. at the Registered Office of the Company at S.F.No.770/12, Avinashi Road, Civil Aerodrome Post, Coimbatore – 641 014.

Member's / Proxy's Signature

Note :

1. Please complete the Folio / DP ID – Client ID No. and name, sign this Attendance Slip and handover at the Attendance Verification Counter at THE MEETING HALL.
2. Electronic copy of the Annual Report for FY 2014-15 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 2014-15 and the Notice of the Annual General Meeting along with the Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email is not registered or who have requested for a hard copy.

E-VOTING PARTICULARS

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

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

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

| Commencement of e-voting | End of e-voting |
|---|---|
| Friday, 25 th September, 2015 (From 9.00 AM) | Sunday, 27 th September, 2015 (5.00 P.M) |

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



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]

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

CIN : L85110TZ1997PLC007783

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

E-mail : lotussecdept@gmail.com, Website : www.lotuseye.org

Phone : 0422 4229900 Fax : 0422 4229933

18th ANNUAL GENERAL MEETING

| | |
|------------------------|---------|
| Name of the member (s) | |
| Registered Address | |
| E-mail ID | |
| Foloi No / Client ID | DP ID : |

I/We being the member(s) of — — — shares of Lotus Eye Hospital and Institute Limited, 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 18th Annual General Meeting of the Company to be held on Monday, 28th September, 2015 at 3.00 P.M at the Registered office of the Company at S.F.No.770/12, Avinashi Road, Civil Aerodrome Post, Coimbatore – 641 014 and at any adjournment thereof in respect of such resolutions as are indicated overleaf;



LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

CIN: L85110TZ1997PLC007783

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

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

Phone: 0422-4229900 Fax: 0422 4229933

Form No. MGT-12

POSTAL BALLOT FORM (in lieu of E-voting at the AGM)

| | | |
|---|--|--|
| 1 | Name of Sole / First Member | |
| 2 | Name(s) of Joint Member(s), if any | |
| 3 | Registered Folio No./DP ID No./Client ID No. | |
| 4 | Number of shares held | |

I/We hereby exercise my/our vote in respect of the Resolution(s) to be passed through e-voting / Postal Ballot for the business stated in the AGM Notice dated 30th May, 2015 of the Company by conveying my / our assent or dissent to the said Resolution(s) by placing the tick(\ /) mark at the appropriate box below:

| S.No | Resolutions | Optional* | |
|------|--|-----------|---------|
| | | For | Against |
| | Ordinary Business | | |
| 1 | To receive, consider and adopt the Financial Statements of the Company for the year ended 31 st March, 2015 including audited balance Sheet as at 31 st March, 2015 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon. | | |
| 2 | To appoint a director in place of Dr.Kavetha Sundaramoorthy (holding DIN 2050806), who retires by rotation and being eligible offers herself for re-appointment | | |
| 3 | To appoint M/s. V E K A M and Associates, Chartered Accountants (Registration No. 052565) as statutory auditors of the Company and fix their remuneration. | | |
| | Special Business | | |
| 4 | To fix the remuneration of Dr. S.K.Sundaramoorthy, Managing Director of the Company for the period of two years from 01.04.2015 to 31.03.2017. | | |
| 5. | To re-appointment of Ms. Sangeetha Sundaramoorthy as a Whole-time Director for the period of five years from 1st August, 2014. | | |

Signed this day of 2015

Signature of Shareholder

Affix
Revenue
Stamp not
less than
Rs. 1

Notes :

1. This form of proxy in order to be effective 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 18th Annual General Meeting
3. * It is optional to put “ \ / ” in the appropriate column against the Resolutions indicated in the Box. If you leave the ‘For’ or ‘Against’ column blank against any or all resolution, your proxy will be entitled to vote in the manner as he / she thinks appropriate

Hospital Branches



R.S.Puram



Tirupur



Salem



Cochin



Mettupalayam



Mulanthuruthy



LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

(Formerly Lotus Eye Care Hospital Limited)

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

Phone: 0422-4229900