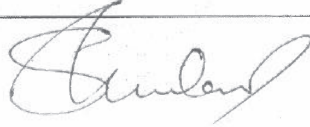

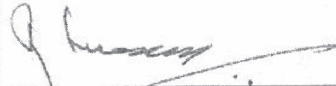
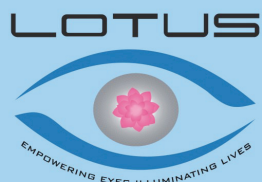


FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the Company	LOTUS EYE HOSPITAL AND INSTITUTE LIMITED (Formerly LOTUS EYE CARE HOSPITAL LIMITED)
2.	Annual financial statements for the year ended	31 ST March 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	NIL
5.	To be signed by	 For V E K A M AND ASSOCIATES Chartered Accountants  M.P. PANNEERSELVAN - Partner 
	- CEO / Managing Director	
	- CFO	
	- Auditor of the Company	
	- Audit Committee Chairman	



LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

(Formerly Lotus Eye Care Hospital Limited)

17th ANNUAL REPORT 2013 – 14



CONTENTS	PAGE No.
Notice to the Members	2
Directors' Report and Management Discussion & Analysis	16
Auditors' Certificate	26
CEO Certificate	27
Auditors' Report	28
Annexure to the Auditors' Report	29
Balance Sheet	31
Profit and Loss Account	32
Cash Flow Statement	33
Notes	45



LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

CIN : L85110TZ1997PLC007783

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

E-mail : lotussecdpt@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	-	Sri. K. Rangasamy
Auditors	-	M/s. V E K A M and Associates Chartered Accountants Coimbatore - 641 012
Bankers	-	Indian Overseas Bank Ganapathy, Coimbatore Indusind 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.

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE SEVENTEENTH ANNUAL GENERAL MEETING OF LOTUS EYE HOSPITAL AND INSTITUTE LIMITED will be held at 3.00 P.M on Wednesday, 24th September, 2014 at Registered Office of the Company at 770/12, Avinashi Road, Civil Aerodrome Post, Coimbatore-641 014 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2014 including audited balance Sheet as at 31st March, 2014 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 re-appoint M/s. V E K A M and Associates, Chartered Accountants (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(s), the following resolution as an Ordinary Resolution :

RESOLVED that pursuant to the provisions of Sections 149, 150, 152 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 for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr. S.S. Badrinath (holding DIN 2061027), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an "Independent Director" of the Company to hold office for five consecutive years from the conclusion of this Annual General Meeting and he is not 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 Sections 149, 150, 152 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 for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. D.R.Kaarthikeyan (holding DIN 327907), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an "Independent Director" of the Company to hold office for five consecutive years from the conclusion of this Annual General Meeting and he is not liable to retire by rotation.

6. 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 Sections 149, 150, 152 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 for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. G.R. Karthikeyan (holding DIN 2189779), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the

Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an “Independent Director” of the Company to hold office for five consecutive years from the conclusion of this Annual General Meeting and he is not liable to retire by rotation.

- 7 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 Sections 149, 150, 152 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 for the time being in force) read with Schedule IV to the Companies Act, 2013, CA R. Subramanian (holding DIN 3751539), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an “Independent Director” of the Company to hold office for five consecutive years from the conclusion of this Annual General Meeting and he is not liable to retire by rotation.

- 8 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 Sections 149, 150, 152 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 for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr. Yogesh Shah (holding DIN 1916665), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an “Independent Director” of the Company to hold office for five consecutive years from the conclusion of this Annual General Meeting and he is not liable to retire by rotation.

- 9 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 Sections 149, 150, 152 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 for the time being in force) read with Schedule IV to the Companies Act, 2013, CA M. Alagiriswamy (holding DIN 2112350), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an “Independent Director” of the Company to hold office for five consecutive years from the conclusion of this Annual General Meeting and he is not liable to retire by rotation.

- 10 To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

“RESOLVED that in supersession of the Ordinary Resolution passed under Section 293(1)(d) of the Companies Act, 1956 at the Extra Ordinary General Meeting held on 12th November, 1997 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made here under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors and / or any committee thereof to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

total amount borrowed and outstanding at any point of time, (apart from temporary loans obtained/to be obtained from the Company's Bankers in the ordinary course of business), shall not be in excess of Rs. 25 Crores (Rupees Twenty Five Crores only) over and above the aggregate of the paid up share capital and free reserves of the Company."

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

"RESOLVED that in supersession of the Ordinary Resolution passed under Section 293(1)(a) of the Companies Act, 1956, at the Extra Ordinary General Meeting of the Company held on 12th November, 1997 and pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, the consent of the Company be and is hereby accorded to the Board of Directors of the Company or any Committee of the Board (hereinafter referred to as the "Board") for creation of such mortgages, charges and hypothecations as may be necessary on such of the assets of the Company, both present and future, in such manner as the Board may direct, together with power to take over the management of the Company in certain events, to or in favour of financial institutions, investment institutions and their subsidiaries, banks, mutual funds, trusts, other bodies corporate (hereinafter referred to as the "Lending Agencies") and Trustees for the holders of debentures / bonds and/or other instruments which may be issued on private placement basis or otherwise, to secure rupee term loans/foreign currency loans, debentures, bonds and other instruments of an outstanding aggregate value not exceeding Rs. 25 crore (Rupees Twenty Five Crores only) together with interest thereon at the agreed rates, further interest, liquidated damages, premium on prepayment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the Trustees under the Trust Deed and to the Lending Agencies under their respective Agreements / Loan Agreements / Debenture Trust Deeds entered / to be entered into by the Company in respect of the said borrowings."

"RESOLVED FURTHER that the Board be and is hereby severally authorized to finalize with the Lending Agencies / Trustees, the documents for creating the aforesaid mortgages, charges and / or hypothecations and to accept any modifications to, or to modify, alter or vary, the terms and conditions of the aforesaid documents and to do all such acts and things and to execute all such documents as may be necessary for giving effect to this Resolution."

By Order of the Board

For LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Place : Coimbatore

Date : 24th May, 2014

(Sd.) K. Rangasamy
Company Secretary



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.
2. 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.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 18th September, 2014 to 24th September, 2014 (both days inclusive).
4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business set out in the notice and the relevant details pursuant to the provisions of Clause 49 of the Listing Agreement executed with Stock Exchanges are annexed hereto.
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 (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.
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. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
10. Electronic copy of the Annual Report for 2013-14 is being sent to all the members whose email IDs are registered with the Company / Depository Participant(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 2013-14 is being sent in the permitted mode.
11. Electronic copy of the Notice of the 17th 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 Participant(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

17th 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.

12. Members may also note that the Notice of the 17th Annual General Meeting and the Annual Report for 2013-14 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

13. 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 17th 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 20th September, 2014 by 6.00 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 shareholders voting electronically are as under:

- (i) The voting period begins on 18th September, 2014 at 9.00 AM and ends on 20th September, 2014 at 6.00 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 22nd August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website <https://evotingindia.co.in> during the voting period
- (iii) Click on "Shareholders" tab.
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)- 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 last 8 digits of the demat accounts / folio number in the PAN field. In case the folio 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 folio number 100 then enter RA00000100 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account in dd/mm/yyyy format or folio.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN relevant to **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 out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If 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.
- (xviii) Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

- 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 they have to create a compliance user who would be able to link the account(s) for which they wish to vote on.
- The list of accounts 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com

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 COLLATE 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 Friday, 22nd August, 2014.
 - 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 Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman.
 - iv. The Results shall be declared on or after the Annual General Meeting of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.lotuseye.org within two (2) days of passing of the resolutions at the Annual General Meeting of the Company and communicated to the Stock Exchanges where the Company's shares are listed.
14. 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 Saturday, up to and including the date of the Annual General Meeting of the Company.



EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

Dr. S.S. Badrinath is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 16th October, 2007 . The Qualification and expertise of Dr. S.S. Badrinath has given below :

Dr. S.S. Badrinath is a leading Eye Surgeon in India. He graduated in Ophthalmology from New York University and completed post graduation from Brooklyn Eye and Ear Infirmary, Boston. He is having five decades of experience in the hospital industry. He is the founder of Medical Research Foundation which started Sankara Nethralaya, a hospital unit, a non profit making organization. He is also Chairman of Sankara Nethralaya. He is a consultant in ophthalmology to the armed forces of India and a non-official member of the Armed Forces Medical Research Committee. He has many scientific publications to his credit.

Other Directorships : Nil

Membership of Committees of other Companies :

Audit Committees : Nil

Nomination and Remuneration Committees : Nil

Share Transfer Committees : Nil

Stakeholders relationship Committees : Nil

Shareholding : He is not holding any equity shares in the Company

He is not related to any other director.

Dr. S.S. Badrinath retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. Under the provisions of the Companies Act, 2013 an Independent Director should be appointed for a fixed term and is not liable to retire by rotation. In terms of section 149 and other applicable provisions of the Companies Act, 2013 Dr. S.S. Badrinath being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years from the conclusion of this Annual General Meeting. A notice has been received from a member proposing Dr. S.S. Badrinath as a candidate for the office of Director of the Company.

In the opinion of the Board, Dr. S.S. Badrinath fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointments an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Dr. S.S. Badrinath as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Dr. S.S. Badrinath as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Dr. S.S. Badrinath as an Independent Director, for the approval by the shareholders of the Company.

Except Dr. S.S. Badrinath, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Item No. 5

Sri. D.R. Kaarthikeyan is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 16th October, 2007. The Qualification and expertise of Sri. D.R. Kaarthikeyan has given below :

Mr. D.R. Kaarthikeyan is an IPS officer with many years of illustrious track record and recipient of several national / international awards / honours such as President's Police medal for meritorious and distinguished service, "Jewel of Delhi" from All India Conference of Intellectuals, New Delhi, "Atma Jyoti" from International Vedic Convocation for the services rendered to the society, "Humanitarian Award" from Integral Yoga International, USA for outstanding achievement in service to Humanity, the Rajiv Gandhi National Award for Harmony at the South Asia Interfaith Harmony Comclave 2007. He has served the Country as DIG (Railways) from 1980 to 1987, Director General (CRPF) from 1989 to 1991, Director of Trade Promotion in Australia from 1984 to 1989, Diplomat and head of Chancery and Consular Division of the Embassy of India in Moscow from 1974 to 1977, Director (CBI) from 1991 to 1998, and Director General in National Human Rights Commission from 1999 to 2001. Presently he is associated with various Indian and International Organizations' both at institutional and Government level such as Law, Human Rights, Corporate affairs.

Other Directorships : 1. Vidhi Vedika Heritage Private Limited, 2. Life Positive Private Limited, 3. Taj GVK Hotels and Resorts Limited, 4. Star Health and Allied Insurance Company Limited, 5. Raj Television Network Limited, 6. Synergy Environics Limited, 7. Oriental Hotels Limited, 8. Roots Industries India Limited, 9. I-Grandee Softwar Technologies Private Limited, 10. Radcliffe Schools Education Limited, 11. Texmaco Rail & Engineering Limited, 12. Benares Hotels Limited, 13. Tata Coffee Limited and 14. Bangalore International Airport Limited.

Membership of Committees of other Companies:

Audit Committees : 1. Star Health and Allied Insurance Company Ltd, 2. Taj GVK Hotels & Research Limited, 3. Oriental Hotels Limited, 4. Texmaco Rail & Engineering Ltd and 5. Tata Coffee Limited.

Nomination and Remuneration Committees: 1. Taj GVK Hotels & Research Limited, 2. Oriental Hotels Limited, and 3. Tata Coffee Limited.

Share Transfer Committees : Nil

Stakeholder's relationship Committees : Nil

Shareholding : He is not holding any equity shares in the Company

He is not related to any other director.

Sri. D.R. Kaarthikeyan retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. Under the provisions of the Companies Act, 2013 an Independent Director should be appointed for a fixed term and is not liable to retire by rotation. In terms of section 149 and other applicable provisions of the Companies Act, 2013 Sri D.R. Kaarthikeyan being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years from the conclusion of this Annual General Meeting. A notice has been received from a member proposing Sri. D.R. Kaarthikeyan as a candidate for the office of Director of the Company.

In the opinion of the Board, Sri. D.R. Kaarthikeyan fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointments an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Sri. D.R. Kaarthikeyan as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Sri. D.R. Kaarthikeyan as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Sri. D.R. Kaarthikeyan as an Independent Director, for the approval by the shareholders of the Company.

Except Sri. D.R. Kaarthikeyan being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No. 6

Sri. G.R. Karthikeyan is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 28th May, 2012 . The Qualification and expertise of Sri. G.R. Karthikeyan has given below :

Sri. G.R. Karthikeyan is a MBA graduate and having five decades of experience in the textile industry. After completion of his education he took over the charge of Sri Karthikeya Spg & Wvg Mills Pvt Ltd, Coimbatore. He promoted several companies. Presently he is the Managing Director of Sri Karthikeya Spg & Wvg Mills Pvt Ltd. He is also the founder trustee of PSG & Sons Charities, Coimbatore.

Other Directorships : 1. Sri Karthikeya Spg & Wvg Mills Pvt. Ltd, 2. Rajshree Sugars & Chemicals Ltd, 3. RND Softech Private Ltd, 4. Leap Green Energy P Ltd, and 5. RND Healthcare TPA P Ltd.

Membership of Committees of other Companies :

Audit Committees : Rajshree Sugars & Chemicals Ltd.

Nomination and Remuneration Committees : Nil

Share Transfer Committees : Nil

Stakeholder's relationship Committees : Nil

Shareholding : He is not holding any equity shares in the Company

He is not related to any other director.

Sri. G.R. Karthikeyan retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. Under the provisions of the Companies Act, 2013 an Independent Director should be appointed for a fixed term and is not liable to retire by rotation. In terms of section 149 and other applicable provisions of the Companies Act, 2013 Sri. G.R. Karthikeyan being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years from the conclusion of this Annual General Meeting. A notice has been received from a member proposing Sri G.R. Karthikeyan as a candidate for the office of Director of the Company.

In the opinion of the Board, Sri. G.R. Karthikeyan fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointments an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Sri. G.R. Karthikeyan as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Sri G.R. Karthikeyan as an Independent Director. Accordingly,

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

the Board recommends the resolution in relation to appointment of Sri. G.R. Karthikeyan as an Independent Director, for the approval by the shareholders of the Company.

Except Sri. G.R. Karthikeyan being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.6.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No. 7

CA R. Subramanian is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 09th January, 2009. The Qualification and expertise of Sri. R. Subramanian has given below :

CA R. Subramaian B.Com., FCA., AICWA., ACS., ACIS., R. Subramanian and Company, Chartered Accountants founded by CA R. Subramanian is one of the leading Practicing Public Accountants in the city of Chennai for nearly five decades with the total strength of around 150 professional and supportive staff. He has been on the board of several corporate entities, including Public Sector financial service entities like LIC, Mutual Funds and BOI Finance Ltd. He is associated as "Non whole time Independent Director" in several Companies.

Other Directorships : 1.VST Tillers Tractors Ltd and 2. Sandur Manganese & Iron Ores Ltd and also Partner in R.Subramanian and Company.

Membership of Committees of other Companies :

Audit Committees : VST Tillers Tractors Ltd and Sandur Manganese & Iron Ores Ltd.

Nomination and Remuneration Committees : Nil

Share Transfer Committees : Nil

Stakeholder's relationship Committees : Nil

Shareholding : He is not holding any equity shares in the Company

He is not related to any other director.

CA R. Subramanian retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. Under the provisions of the Companies Act, 2013 an Independent Director should be appointed for a fixed term and is not liable to retire by rotation. In terms of section 149 and other applicable provisions of the Companies Act, 2013 CA R.Subramanian being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years from the conclusion of this Annual General Meeting. A notice has been received from a member proposing CA R. Subramanian as a candidate for the office of Director of the Company.

In the opinion of the Board, CA R. Subramanian fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointments an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of CA R.Subramanian as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of CA R. Subramanian as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of CA R. Subramanian as an Independent Director, for the approval by the shareholders of the Company.

Except CA R. Subramanian being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No. 8

Dr. Yogesh Shah is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 16th October, 2007. The Qualification and expertise of Dr. Yogesh Shah has given below:

Dr. Yogesh Shah MS, FCPS, is a leading eye surgeon in Mumbai. He is having four decades of experience in hospital industry especially eye. He is the chairman of Netra Mandir, Borivli, Mumbai and President of Dr. C.M. Shah Memorial Charitable Trust. He is also member of several All India Ophthalmic Organizations and teacher for MBBS and Post Graduate Students on Ophthalmology. He has authored several chapters in Ophthalmology and delivered lectures in various national and international forums.

Other Directorships : Nil

Membership of Committees of other Companies :

Audit Committees : Nil

Nomination and Remuneration Committees : Nil

Share Transfer Committees : Nil

Stakeholders relationship Committees : Nil

Shareholding : He is not holding any equity shares in the Company

He is not related to any other director.

Dr. Yogesh Shah retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. Under the provisions of the Companies Act, 2013 an Independent Director should be appointed for a fixed term and is not liable to retire by rotation. In terms of section 149 and other applicable provisions of the Companies Act, 2013 Dr. Yogesh Shah being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years from the conclusion of this Annual General Meeting. A notice has been received from a member proposing Dr. Yogesh Shah as a candidate for the office of Director of the Company.

In the opinion of the Board, Dr. Yogesh Shah fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointments an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Dr. Yogesh Shah as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Dr. Yogesh Shah as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Dr. Yogesh Shah as an Independent Director, for the approval by the shareholders of the Company.

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Except Dr. Yogesh Shah, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No. 9

CA M. Alagiriswamy is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 28th May, 2012. The Qualification and expertise of CA M. Alagiriswamy has been given below:

CA M. Alagiriswamy is a B.Sc., graduate and also completed his professional qualification in Chartered Accountancy from the Institute of Chartered Accountants of India, New Delhi. He is practicing since 1978. He is practicing the leading Institution, Manufacturing Companies, Textile Mills and also reputed Hospitals in and around Coimbatore.

Other Directorships : Nil

Membership of Committees of other Companies :

Audit Committees : Nil

Nomination and Remuneration Committees : Nil

Share Transfer Committees : Nil

Stakeholders relationship Committees : Nil

Shareholding : He is not holding any equity shares in the Company

He is not related to any other director.

CA M. Alagiriswamy retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. Under the provisions of the Companies Act, 2013 an Independent Director should be appointed for a fixed term and is not liable to retire by rotation. In terms of section 149 and other applicable provisions of the Companies Act, 2013 CA M. Alagiriswamy being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years from the conclusion of this Annual General Meeting. A notice has been received from a member proposing CA M. Alagiriswamy as a candidate for the office of Director of the Company.

In the opinion of the Board, CA M. Alagiriswamy fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointments an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of CA M. Alagiriswamy as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of CA M. Alagiriswamy as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of CA M. Alagiriswamy as an Independent Director, for the approval by the shareholders of the Company.

Except CA M. Alagiriswamy being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 9.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No. 10

The members of the Company at their Extra Ordinary Meeting held on 12th November, 1997 approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs.25 Crores(Rupees twenty five crores only).

Section 180(1)(c) of the Companies Act, 2013 with effect from 12th September, 2013 requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution.

It is therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at item No.10 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money upto 25 Crores (Rupees 25 Crores only) in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 10.

Item No. 11

The members of the Company at their Extra Ordinary Meeting held on 12th November, 1997 approved by way of an Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956 authorized the Board of Directors to execute mortgage, charge and / or hypothecate in respect of the whole or part of the properties of assets of the company both in present and future to secure borrowings of money with interest and other money's in such a manner and on such terms and conditions as the Board of Directors may think fit from time to time.

Under Section 180 of the Companies Act, 2013, the above powers of the Board are required to be exercised only with the consent of the Company by a special resolution.

The Ministry of Corporate Affairs ("The MCA") has vide its General Circular No. 4/2014 dated 25th March, 2014 clarified that the ordinary resolution passed under section 293(1)(a) of the Companies Act, 1956 would be sufficient compliance of Section 180 of the Companies Act, 2013 until 11th September, 2014.

The approval of the members for the said powers is therefore now being sought, by way of special resolution, pursuant to section 180(1)(a) of the Companies Act, 2013.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the resolution.

By Order of the Board

For LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Place : Coimbatore

Date : 24th May, 2014

(Sd.) K. Rangasamy
Company Secretary

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Directors' Report and Management Discussion and Analysis:

Your Directors have pleasure in presenting the 17th Annual Report of your Company together with the Audited Financial Statements for the year ended 31st March 2014.

FINANCIAL RESULTS		(₹ in lacs)
Particulars	31.03.2014 (Current year)	31.03.2013 (Previous year)
Income from Operations and other income	2908.52	2979.36
Profit before Depreciation and Tax	363.69	423.36
Less: Depreciation	353.71	373.20
Profit / (Loss) before Tax	9.98	50.16
Less: Provision for Taxes	6.08	8.66
Profit / (Loss) after tax transferred to Reserves & Surplus	3.90	41.50

Review of Operations and Performance :

Your company has reported a turnover of ₹. 2,908.52 lacs during the financial year 2013-14 compared to the turnover of ₹. 2,979.36 lacs in the previous financial year 2012-13. Your Company earned a net profit of ₹.3.90 lacs during the financial year 2013-14 against a net profit of ₹.41.50 lacs during the previous financial year 2012-13. Your directors will take further effort to increase the turnover and net profit.

Dividend : Your Directors have not recommended any dividend for the year under review.

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 on the look off for better infrastructure facilities either own or rented at Salem and Tirupur. The existing facility at Peramanur East, Salem does not have lift facility as the space is not adequate.

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:

Though 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. So 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 also 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.

Directors :

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

Directors' Responsibility Statement :

The Directors confirm that

- I. In the preparation of 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 profit 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, 1956 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.

Particulars of Employees:

As on 31st March 2014, none of the employees were in receipt of remuneration in excess of the limits prescribed in sub-section 2A of section 217 of the Companies Act, 1956, read with Companies (Particulars of Employees) Amendment Rules 1994.

Information as per section 217 (1) (e) of the Companies Act, 1956:

Since the Company is in service industry and does not do any manufacturing activity, the particulars regarding conservation of energy and absorption in the (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988 are not applicable. The particulars regarding foreign exchange inflow and outflow appear as item no. 13 in General Notes on Accounts.

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Fixed Deposits :

Your company has not accepted any fixed deposits from the public.

Report of Corporate Governance :

The Company has complied with the requirement of the corporate governance in terms of the listing agreements with the Stock Exchanges. The detailed report on corporate governance is annexed and forming part of this report.

Compliance certificate on Corporate governance :

A certificate from the auditors of the Company regarding compliance of conditions of corporate governance as stipulated under clause 49 of the Listing Agreement entered into with the Stock Exchanges is attached to this report.

Auditors :

The Auditors M/s. V E K A M and Associates, Chartered Accountants, Coimbatore retires at the ensuing Annual General Meeting and are eligible for re-appointment in accordance with the provisions of Section 139(1) and Section 141 of the Companies Act, 2013.

Acknowledgement :

Your directors thank the Shareholders, suppliers, customers and bankers for their continued support during the year. Your directors also place on record their appreciation of the contribution made by the employees at all level towards the growth of the Company.

for and on behalf of the Board

Place : Coimbatore
Date : 24th May, 2014

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

REPORT ON CORPORATE GOVERNANCE

(Annexure to the Seventeenth Directors' Report 2013-14)

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 2014, 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 in Board 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 four times during the year i.e. on 24th May, 2013, 13th August, 2013, 06th November, 2013 and 04th February, 2014.

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

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Name of the Directors	Board Meeting (4)	Audit Committee (4)	Remuneration Committee (0)	Share Transfer and Investor Grievance Committee (0)	Annual General Meeting
Dr. S.K. Sundaramoorthy	4	-	-	-	Yes
Mr. P.K. Venkatachalam	3	-	-	-	No
Dr. S.S. Badrinath	-	-	-	-	No
Mr. D.R. Kaarthikeyan	4	4	-	-	No
CA R. Subramanian	3	3	-	-	No
Mr. Yogesh Shah	-	-	-	-	No
Ms. Sangeetha Sundaramoorthy	-	-	-	-	No
Dr. Kavetha Sundaramoorthy	-	-	-	-	No
Mr. G.R. Karthikeyan	3	3	-	-	Yes
CA M. Alagiriswamy	4	4	-	-	Yes

The figures within brackets denote the number of meetings held during the period from 1st April 2013 to 31st March 2014

(c) General Meeting

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

Particulars	16 th AGM 2013
Date of Meeting	25 th September 2013
No. of Members Attended	39
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
- Remuneration Committee
- Share Transfer and Investor Grievance Committee.
- Audit Committee

The Audit Committee has been constituted on 16.10.2007. The broad terms of reference to the committee the compliance of adequate internal control system, financial disclosures and other issues confirming to the requirements specified in the Listing Agreement. The Committee has been re-constituted on 10.11.2012 with the following non-executive directors as members to determine on behalf of the Board of Directors.

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.	

b) 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

c) Share Transfer and Investor Grievance 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 consists of 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

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

During the year the company has not received any complaints from the investors and there are no outstanding complaints as on 31.03.2014.

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, 2011	14 th AGM	28.09.11 - 3.00 p.m.	Kasthuri Srinivasan Trust, "Culture Centre", Avinashi Road, Coimbatore - 641 014	Nil
31 st March, 2012	15 th AGM	24.09.12 - 3.00 p.m.	"	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

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.

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

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 interest's of the Company at large.

Transactions, in which directors may have substantial interest, are submitted to the Board and the interested directors, neither participate 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 that 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, 1992 has been introduced with effect from 25.11.2002. 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 revised 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 2014.

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.



7. General Shareholders Information

a. Annual General Meeting

Day & Date	: Wednesday, 24 th September, 2014
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	: 18 th September, 2014 to 24 th September 2014 (both days inclusive)
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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 2014-15.
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e. Custodial Fees	: Custodial fees paid to the CDSL and NSDL for 2013-14 and 2014-15
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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
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h. Address of the Registered Office	: SF No. 770/12, Avinashi Road, Civil Aerodrome Post, Coimbatore – 641 014
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Hospital Branches	: 1. 155B, 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. Salem - I : 52/2, Peramanur East, Salem – 636 007.
	: 4. Salem – II : Anna Vaniga Valagam, Opp. Bus Stand, Salem – 636 004.
	: 5. No.140, Coimbatore Main Road, Opp. Bus Stand, Mettupalayam – 641 031.
	: 6. No.53/33A – 33F, Thejas Towers, SA Road, Kadavanthara, Cochin – 682 020.

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

8. Secretarial Audit

For each of the quarter in the Financial Year 2013-14, 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 2013 to March 2014 (Shares listed on 11.07.2008) are given below:

Month	Share Price in ₹.			
	BSE (High & Low)		NSE (High & Low)	
April, 2013	07.60	06.31	07.85	05.80
May, 2013	07.20	05.83	07.25	05.80
June, 2013	07.00	05.40	06.90	05.10
July, 2013	06.30	05.10	06.40	05.05
August, 2013	05.99	04.43	06.00	04.50
September, 2013	06.35	04.95	06.90	04.95
October, 2013	07.83	05.40	07.95	05.50
November, 2013	07.49	05.47	07.50	05.50
December, 2013	08.45	06.86	08.55	06.85
January, 2014	08.60	06.00	08.50	05.75
February, 2014	07.48	06.02	07.20	05.90
March, 2014	07.25	05.99	07.20	06.00

10. Distribution of Shareholders

a. Categories of Shareholders on 31.03.2014

S.No	Category	No. of Share holders	No. of Shares held	% of paid up Share Capital
1	Promoters and Promoters group	5	11042720	53.10
2	Foreign Institutional Investors	0	0	0
3	Bodies Corporate	177	556222	2.67
4	Individuals	7768	8540760	41.07
5	Others	289	656628	3.16
	Total	8239	20796330	100.00



b. Distribution of Shareholding as on 31.03.2014

Range (No. of Shares)	No. of Share holders	No. of Equity Shares	% of Shareholding
1 - 500	6051	1198849	5.76
501 - 1000	1113	959786	4.62
1001 - 2000	506	803276	3.86
2001 - 3000	176	458265	2.20
3001 - 4000	77	280412	1.35
4001 - 5000	90	429465	2.07
5001 - 10000	113	836658	4.02
10001 and above	113	15829619	76.12
Total	8239	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 947I01017.

As on 31st March, 2014, 99.99% of the Company's paid-up equity capital was held in dematerialized form (only 307 shares are 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, 2014.

for and on behalf of the Board

Place : Coimbatore
Date : 24th May, 2014

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

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Lotus Eye Hospital and Institute Limited

We have examined the compliance of conditions of corporate governance by Lotus Eye Hospital and Institute Limited for the year ended as on 31.03.2014, 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 the Management, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned 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 representations given by the Registerars of the Company to the Investors' Grievance Committee as on 31st March, 2014, there were no Investors' Grievance matters against to 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 : 24th May, 2014

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

Membership No. 026129



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 2014 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 : 24th May, 2014

(Sd.) **Dr. S.K. Sundaramoorthy**
Chairman and 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) Coimbatore ("the Company"), which comprise the Balance Sheet as at March 31, 2014, 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

Management is responsible for 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 Standards referred to in section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing, the Companies (Accounting Standards) Rules, 2006. 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, 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.

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:

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b. In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c. In the case of the Cash Flow Statement, of the 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, 2003 ("the Order") issued by the Central Government of India in terms of section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have 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 (and proper returns adequate for the purposes of our audit have been received from branches not visited by us);
 - 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 referred to in section 211(3C) of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of section 274(1) (g) of the Companies Act, 1956.

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 : 24th May, 2014

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, 2014.

- (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, when compared to the available records.
 - c) During the year, there is no disposal of substantial part of fixed assets.
- (ii)
 - a) 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 neither granted nor taken any loan secured or unsecured to/from the companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, with regard to purchases of inventories, fixed Assets and with regard to the sale of goods and services. During the course of our audit, no minor or major continuing failure has been noticed in the internal control procedures.
- (v)
 - a) According to the information and explanations provided by the management and based on the audit procedure applied by us we are of the opinion that the particulars of all contracts or arrangements that need to be entered in the register maintained in pursuance of section 301 of the act have been so entered.
 - b) In our opinion and according to the information and explanations given to us, the transaction so entered in the register maintained under section 301 of the Act and exceeding Rupees Five lakhs during the year in respect of each party have been made at prices which are reasonable have been regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations furnished to us, the Company has not accepted any public deposit within the meaning of Sections 58 A and 58AA of the Companies Act, 1956.
- (vii) The Company's internal audit systems needs improvement for its size and nature of its business. However, its control procedure ensure reasonable internal checking of its financial and other records.
- (viii) The Company informed us that the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 to the hospital industry.
- (ix)
 - a) According to the information and explanations and records provided to us, the undisputed statutory dues including provident fund, investor education and protection 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

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

employees security deposit amounting to Rs. 20.62 lakhs has not been deposited with scheduled banks or post office savings scheme.

- b) According to the information and explanation given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess were in arrears as at 31.03.2014 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (x) The Company has no accumulated losses as at 31st March, 2014 and the Company has not incurred any cash loss during the financial year covered by our audit and during the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations furnished to us, we are of the opinion that the company, during the year, has not defaulted in repayment of dues to financial institution, bank or debenture holders wherever applicable.
- (xii) According to the information and explanations furnished to us, and based on the document and records produced to us the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly the provisions of clause 4(xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the Company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4 (XIV) of the Companies (Auditors Report) order, 2003 are not applicable to the Company.
- (xv) 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.
- (xvi) 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 wherever applicable.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance sheet of the company, we report that the no funds raised on short term basis have been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
- (xix) During the year the company has not issued any debentures and hence the provisions of clause 4(xix) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
- (xx) During the year the Company has not raised any money through Public issue. However the Company has disclosed the end use of money raised by public issue in the earlier year which has been disclosed in the Note No.3 to the financial statement and the same has been verified by us.
- (xxi) 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 : 24th May, 2014

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



Balance Sheet as at 31st March, 2014

(₹. in Lacs)

Particulars	Note No.	As on 31.03.2014	As on 31.03.2013
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	2,079.63	2,079.63
(b) Reserves and Surplus	3	3,056.86	3,052.96
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	4	4.59	11.45
(b) Deferred Tax Liabilities (Net)	5	21.16	16.98
(c) Long-Term Provisions	6	20.02	14.83
(3) Current Liabilities			
(a) Trade Payables	7	539.31	373.96
(b) Other Current Liabilities	8	105.86	108.72
(c) Short-Term Provisions	9	27.98	31.03
TOTAL		5,855.41	5,689.56
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		4,686.96	4,518.88
(ii) Intangible Assets		7.12	11.72
(iii) Capital work in progress		36.28	18.01
		4,730.36	4,548.61
(b) Long term loans and advances	11	463.46	389.33
(c) Other non-current assets	12	0.00	2.65
(2) Current Assets			
(a) Inventories	13	363.72	314.94
(b) Trade receivables	14	39.42	30.93
(c) Cash and cash equivalents	15	92.01	232.72
(d) Short-term loans and advances	16	166.44	170.38
Branch / (HO) - Balance			
TOTAL		5,855.41	5,689.56

Significant Accounting Policies & Notes on Financial Statements 1 to 27

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 : 24th May, 2014

For and on behalf of the Board of Directors

(Sd.) **Dr. S.K. Sundaramoorthy**

Chairman and Managing Director

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

Director

(Sd.) **K. Rangasamy**

Company Secretary

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Statement of Profit and Loss Account for the year ended 31st March, 2014 (₹. in Lacs)

Particulars	Note No.	As on 31.03.2014	As on 31.03.2013
INCOME:			
Revenue from operations	17	2,869.45	2,910.84
Other Income	18	39.06	63.81
TOTAL REVENUE		2,908.51	2,974.64
EXPENSES:			
Cost of materials consumed	19	265.72	348.54
Purchase of Stock-in-Trade	20	521.48	559.39
Service Expenses	21	594.59	610.40
Changes in inventories	22	9.68	(59.49)
Employee Benefit Expenses	23	550.17	532.54
Financial Cost	24	0.97	1.76
Depreciation and Amortization Expenses	25	353.71	373.20
Other Expenses	26	602.21	562.87
TOTAL EXPENSES		2,898.53	2,929.20
Profit / (Loss) before Tax and Exceptional item		9.98	45.44
Add : Depreciation written back		-	-
Profit before Tax		9.98	45.44
Tax Expenses			
(1) Current tax (including provisions)		1.90	8.66
(2) Deferred tax (Income)		4.18	(4.72)
Profit / (Loss) for the year		3.90	41.50
Earning per equity share :			
(1) Basic		0.02	0.20
(2) Diluted		0.02	0.20

Significant Accounting policies & Notes on Financial statements 1 to 27

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	(Sd.) Dr. S.K. Sundaramoorthy
Firm Registration No: 05256S	<i>Chairman and Managing Director</i>
Chartered Accountants	
(Sd.) CA M.P. Panneerselvan	(Sd.) CA R. Subramanian
Partner	<i>Director</i>
Membership No. 026129	(Sd.) K. Rangasamy
Place : Coimbatore	<i>Company Secretary</i>
Date : 24 th May, 2014	



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(₹. in lacs)

Particulars	For the year 2013-14	For the year 2012-13
A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax and Extraordinary Items	9.98	45.44
ADJUSTMENTS FOR :-		
Depreciation	351.06	370.00
Income on Investments	(27.45)	(20.87)
Preliminary Expenses Written off	2.65	3.20
Interest Expenses	0.97	1.76
Operating profit before working capital changes	337.21	399.53
ADJUSTMENTS FOR :-		
(Increase) / Decrease In Sundry Debtors	(8.50)	7.23
(Increase) / Decrease In Loans and Advances	(70.19)	15.66
(Increase) / Decrease In Inventories	(48.78)	(104.84)
Increase / (Decrease) In Current Liability	168.82	57.84
Cash Generated From (Used In) Operating Activities	378.56	375.43
Tax Paid	(6.08)	(3.94)
Others (depreciation Written Back)	-	-
Net Cash Generated from / (Used In) Operating Activity	372.48	371.49
B) CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	(507.78)	(122.60)
Capital WIP	(25.03)	(18.01)
Sales of Assets	-	-
Interest Received	27.45	20.87
Net Cash Generated from (Used In) Investing Activities	(505.36)	(119.74)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Interest Expenses	(0.97)	(1.76)
Increase / (Decrease) In Un Secured Loan	(6.86)	(14.68)
Net Cash From / (Used In) Financing Activities	(7.83)	(16.44)
(Increase) / Decrease In Cash and Cash Equivalents	(140.71)	235.31
Cash and Cash Equivalents at the Beginning of the Year	232.72	(2.59)
Cash and Cash Equivalents at the End of the Year	92.01	232.72
Cash on Hand	16.56	7.52
Balance with Bank	75.45	225.20

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 : 24th May, 2014

For and on behalf of the Board of Directors

(Sd.) **Dr. S.K. Sundaramoorthy**

Chairman and Managing Director

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

Director

(Sd.) **K. Rangasamy**

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 12.04.2013 and Hospital operations mainly in the ophthalmology (Eye) field and its related operation. The Company has seven center's at Peelamedu, R.S.Puram, Mettupalayam, Tirupur, Salem-I & II and Cochin. The Companies 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 are prepared on the historical cost convention basis and on accrual concept as a going concern in accordance with the applicable Accounting Standards, notified under the Company (Accounting Standard) rule, 2006 and according to the provisions of the Companies Act, 1956.

b) Uses of Estimates

The financial statements preparation requires the management to make assumptions, estimates and judgments' that affect the reported amounts of revenues, expenses, assets and liabilities at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the out comes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

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.

Depreciation is calculated under WDV method at the rates prescribed under amended schedule XIV of the companies Act, 1956 and prorata basis on additions

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 estimated net realizable value and stock of optical and contact lens are 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 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) Leases

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

h) Translation of Foreign Currency Transactions

- a. Foreign currency transactions are recorded at exchange rates prevailing on the date of such transactions.
- b. 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.
- c. Non-monetary foreign currency items are carried at cost.

i) Retirement Benefits

- a. Payment to defined contribution schemes are charged as expense as and when incurred.
- b. 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) Miscellaneous

Miscellaneous expenditure in connection with merger, increase in share capital, hospital / equipments inauguration expenses, hospital renovation expenses and other preliminary expenses are being written off over the period of five years.

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Amounts in the financial statements are presented in Rs. in Lakhs, except for per share and as otherwise stated

NOTE NO: 2 SHARE CAPITAL		(₹. in lacs)	
Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
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

- 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		Equity shares	
		As at 31.03.2014		As at 31.03.2013	
		No. of shares held	% of holding	No. of shares held	% of holding
1	Dr. S.K. Sundaramoorthy	10,596,420	50.95	10,539,946	50.68

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

Sl. No.	Particulars	Equity share As at 31.03.2014		Equity shares As at 31.03.2013	
		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 lacs)

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
1.	Share Premium Reserve	2,514.14	2,514.14
2.	Surplus (Profit & Loss Account)	542.72	538.82
	Balance brought forward from previous year	538.82	497.32
	Add: Profit / (Loss) for the period	3.90	41.50
	Total	3,056.86	3,052.96

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 March 31st, 2014

₹. In lakhs

Details	As at 31.03.2014	As at 31.03.2013
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	70.12	65.08
Net IPO Proceeds	3,482.26	3,477.22
Less : Funds deployed towards the project	3,447.52	3,381.82
Unutilized IPO funds deposited in the form of Temporary investment/Current account with bank	34.74	95.40

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Non-Current Liabilities

Note No. 4 Long Term Borrowings

(₹. in lacs)

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
1.	Term Loan		
	From Bank		
	Canara Bank	4.59	–
	From Other Parties		
	Kotak Mahindra Prime Limited	-	11.45
	Total	4.59	11.45

Note No. 5 Deferred Tax Liabilities (Net)

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
1.	Deferred tax liability on account of Accumalted Depreciation	16.98	21.69
	Add : Deferred tax liability / (Asset) created during the year	4.18	(4.72)
	Total	21.16	16.98

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 31.03.2014	As at 31.03.2013
	Provision for Grautity	20.02	14.83
	Total	20.02	14.83

Note No. 7 Trades Payable

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
A	- Sundry Creditors for Capital Goods	253.99	32.97
B	- Sundry Creditors for Services:		
	i) Consumables	89.11	119.39
	ii) Pharmacy	38.12	50.47
	iii) Optical Lens & Frames	94.67	106.04
	iv) Canteen	2.35	2.45
C	Others	61.07	62.64
	Total	539.31	373.96

- 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
		31.03.2014	31.03.2013
i	Current maturities of long term debt.	12.68	14.76
ii	Accrued salaries and benefits	34.15	40.69
iii	Advance received from customers	8.42	13.62
iv	Statutory Dues	20.19	8.51
v	Other Liabilities	30.42	31.16
Total		105.86	108.72

- a. Other liabilities includes caution deposit collected from employees who are in service amounting to ₹. 20.62 Lakhs.

Note No. 9 Short Term Provisions

Sl.No	Particulars	As at	As at
		31.03.2014	31.03.2013
1	Provision for employee benefits		
a.	Provision for Gratuity	7.15	5.20
2.	Provision for Tax (Including wealth tax)	2.90	9.66
3	Other Short term provisions	17.93	16.17
Total		27.98	31.03

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Note No.10 : FIXED ASSETS (₹. in lacs)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 1.04.2013	Addition During the Year	Deduction during the year	As at 31.03.2013	Depreciation During the year	Deduction during the year	WDV As at 31.3.2014	WDV As at 31.3.2013
Tangible Assets								
Land	2,353.08	-	-	-	-	-	2,353.08	2,353.08
Buildings	1,155.08	8.53	-	252.27	45.25	-	866.09	902.81
Furniture & Fixtures	95.32	10.42	-	43.55	10.15	-	52.04	51.75
Office Equipments	38.19	5.72	-	20.48	3.68	-	19.75	17.71
Plant and Machinery	202.14	26.88	-	99.44	15.62	-	113.96	102.70
Electrical Equipments	864.48	406.56	-	439.74	107.64	-	723.66	424.73
Hospital Equipments	1,295.20	11.30	-	857.03	85.50	-	363.97	438.17
Vehicles	106.15	10.33	-	44.00	16.69	-	55.79	62.15
Computers	47.28	12.22	-	35.21	8.31	-	15.98	12.07
Sub Total (A)	6,156.90	491.96	-	1,791.73	292.84	-	4,564.35	4,365.17
Intangible Assets								
Software	15.63	0.10	-	3.91	4.70	-	7.12	11.72
Sub Total (B)	15.63	0.10	-	3.91	4.70	-	7.12	11.72
Capital Work in Progress								
Air Conditioner	1.25	-	1.25	-	-	-	-	1.25
Building Under Construction	12.19	16.11	0.94	-	-	-	27.36	12.19
Vinayagar Temple	-	8.92	-	-	-	-	8.92	-
Hospital Equipments	2.52	-	2.52	-	-	-	-	2.52
Furniture	0.37	-	0.37	-	-	-	-	0.37
UPS (Office Equipments)	1.68	-	1.68	-	-	-	-	1.68
Sub Total (C)	18.01	25.03	6.76	-	-	-	36.28	18.01
Total (A+B+C+D) Current Year	6,190.53	517.09	6.76	1,795.64	297.54	-	4,607.75	4,394.90
Previous Year	6,068.30	122.23	-	1,476.93	318.73	-	4,394.90	4,591.40

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 1.04.2013	Addition During the Year	Deletion/ transfer during the year	As at 31.03.2013	Depreciation During the year	Depreciation Written back	WDV As at 31.3.2014	WDV As at 31.3.2013
Improved Leased Asset								
Salem New Building	26.47	-	-	10.59	5.29	-	10.59	15.88
Salem Old Building	19.10	-	-	7.64	3.82	-	7.64	11.46
Metupalayam	18.37	22.48	-	4.59	6.84	-	29.42	13.78
Codrin	187.65	-	-	75.13	37.56	-	74.96	112.59
Sub Total (D)	251.60	22.48	-	97.95	53.51	-	122.61	153.71
Previous Year	233.23	18.37	-	46.61	51.27	-	153.71	186.61
Grand Total Current Year	6,442.13	539.57	6.76	1,893.59	351.05	-	4,730.36	4,548.61
Grand Total Previous Year	6,301.53	140.61	-	1,523.55	369.97	-	4,548.61	4,778.01


Note No. 11 Long Term Loans and Advances

(₹. in lacs)

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
1.	Capital Advances	253.58	214.58
2.	Security Deposit		
	Electricity & Other Deposit	33.05	32.12
	Indusind Bank - Deposit against BG	26.64	24.66
3.	Other Loans and advances		
	Rent Deposits	150.19	117.97
	Total	463.46	389.33

Note No. 12 Other Non Current Assets

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
i.	Others (Miscellaneous expenditure)	-	2.65
	Total	-	2.65

Note No. 13 Inventories

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
1	Pharmacy	22.38	30.69
2	Canteen	0.28	0.69
3	Consumables	156.30	97.83
4	Optical Frames	172.01	174.77
5	Contact lens	12.75	10.94
	Total	363.72	314.94

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 VI to the Companies Act, 1956.

Note No. 14 Trade Receivables

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
1	Outstanding for more than six months		
	a) Unsecured, Considered Good	7.00	6.42
2	Other receivables		
	a) Unsecured, Considered Good	32.42	24.50
	Total	39.42	30.93

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Note No. 15 Cash & Cash Equivalents

(₹. in lacs)

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
a)	Cash and cheques on hand	16.56	7.52
b)	Balance with Banks		
	In Current Accounts	(90.45)	(95.51)
	In Deposit Accounts	165.90	320.71
		75.45	225.20
	Total	92.01	232.72
	Current account includes		
i)	Public issue refund account	0.26	0.26
ii)	Public issue current account	0.51	3.27

a. Out of Public issue, Refund amounting to ₹. 0.26 lakhs has been kept in a separate bank account (Axis Bank Ltd)

b. Deposit account includes unutilized IPO funds amounting to ₹. 34.23 lakhs deposited in the form of temporary investment.

Note No. 16 Short Term Loans and Advances

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
a)	Advance for expenses	98.77	105.36
b)	Prepaid expenses	67.67	65.02
	Total	166.44	170.38

Note No. 17 Revenue from Operations

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
1	Income From Medical Services	1,744.19	1,737.53
2	Income from Other utilities	46.12	43.63
3	Pharmacy Sales	253.26	252.55
4	Contact Lens & Opticals	825.88	877.13
	Total	2,869.45	2,910.84

Note No. 18 Other Income

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
1	Interest on FDR's	27.45	20.87
2	Other Receipts	11.61	13.79
3	Discount Received	-	29.15
	Total	39.06	63.81

Note No. 19 Cost of Material Consumed

(₹. in lacs)

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
1	Opening Stock	97.83	52.49
2	Add : Purchase	324.19	393.88
		422.02	446.37
3	Less : Closing Stock	156.30	97.83
	Total	265.72	348.54

Note No. 20 Purchase of Stock in Trade

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
1	Pharmacy Purchase	159.27	170.90
2	Purchase of Contact Lens & Opticals	328.05	353.99
3	Canteen & Utility Purchase	34.16	34.50
	Total	521.48	559.39

Note No. 21 Service Expenses

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
1	Professional charges to Doctors	511.30	519.65
2	Power & Fuel	83.29	90.76
	Total	594.59	610.40

Note No. 22 Changes in Inventories

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
1	Opening Stock	217.10	157.61
2	Closing Stock	207.42	217.10
	(Increase) / Decrease in Inventories	9.68	(59.49)

Note No. 23 Employee Benefit Expenses

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
1	Salaries & Bonus	466.94	454.71
2	Contribution to Provident and other Funds	38.51	31.13
3	Staff Welfare Expenses	8.72	10.70
4	Directors Remuneration	36.00	36.00
	Total	550.17	532.54

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Note No. 24 Financial Cost

(₹. in lacs)

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
1	Interest on Car loan	0.06	-
2	Interest on Term loan	0.91	1.76
	Total	0.97	1.76

Note No. 25 Depreciation & Amortised Cost

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
1	Depreciation	297.54	318.73
2	Preliminary Expenses W/O	2.65	3.20
3	Improved Leased assets Written off	53.52	51.27
	Total	353.71	373.20

Note No. 26 Other Expenses

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
1	Hospital Upkeep Expenses	15.18	15.99
2	Advertisement & Publicity	40.41	51.74
3	Auditors Remuneration	2.98	2.53
4	Bank Charges	3.19	3.52
5	Board and AGM Meeting Expenses	3.34	4.48
6	Camp Expenses	1.21	1.63
7	Directors Sitting Fees	1.46	1.36
8	Donation	-	2.00
9	Insurance Expenses	10.86	7.02
10	Interest on TDS	-	0.06
11	License & taxes	13.68	16.34
12	Marketing,Conference expenses	6.67	13.71
13	Postage & Telegram	3.03	4.77
14	Printing & Stationery Expenses	19.50	21.86
15	Professional & Recommendation Charges	29.47	14.70
16	Rent	216.59	197.52
17	Sales Tax & Service Tax Paid	44.00	46.09
18	Service Tax Paid	-	10.34
19	Security Expenses	18.18	17.41
20	Sundry balance written off	-	0.05
21	Telephone Expenses	13.77	9.83
22	Travelling Expenses	6.84	4.71
23	Water Charges	8.93	8.90
24	Prior Period Expenses/(income)	4.25	5.81
25	Repairs & Maintenance - Building	7.00	13.43
26	Repairs & Maintenance - AMC	79.50	51.06
27	Repairs & Maintenance - Electrical	7.03	4.53
28	Repairs & Maintenance - Equipment	-	4.53
29	Repairs & Maintenance - Vehicle	17.98	13.06
30	Repairs & Maintenance - Computers	5.11	-
31	Repairs & Maintenance - Others	1.19	4.39
32	Administrative & Other Expenses	20.86	9.49
	Total	602.21	562.87



Auditors Remuneration

(₹. in lacs)

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
1	For Statutory Audit	2.25	1.80
2	For Taxation	0.40	0.45
3	For Service Tax	0.33	0.28
	Total	2.98	2.53

Prior Period Expenses

Sl. No.	Particulars	As at 31.03.2014	As at 31.03.2013
1	Personnel Cost	0.07	0.00
2	Professional Charges	0.00	0.52
3	Purchase	3.06	0.00
4	Boarding & Travelling Expenses	0.41	0.06
5	Selling Expenses	0.80	11.68
6	Service Expenses	0.08	6.86
7	Repairs & Maintenance	1.29	0.19
8	Other Administrative Expenses	0.96	0.38
9	Discount received & Other Income	(2.42)	(13.88)
	Total	4.25	5.81

General Note No: 27

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

	31.03.2014	31.03.2013
Net Profit / (Loss) after tax	3.90	41.50
Number of shares issued	20796330	20796330
The Nominal value per equity share (₹.)	10	10
Basic/Diluted EPS	0.02	0.20

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 2013-14

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.

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

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	38.78	-	38.78
Others	-	-	-
Cheque received	-	-	-

Remuneration paid to Managing / Whole-time Director during the year 2013-14

Remuneration ₹. 36.00 Lakhs

House Rent including Perquisites ₹. 2.78 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.
5. No dividend is recommended for the financial year 2013-14.
6. Amount of contribution to employees provident fund during the year is ₹. 17.18 Lakhs (previous year ₹. 16.35 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. There is no contingent liability as on 31.03.2014
12. Provision for all known liabilities including depreciation is neither inadequate nor more than what is necessary except compensated leave salary.
13. Expenditure on Foreign exchange During the year 2013-14 - Nil
 - i) CIF value of imports
 - a. Capital goods NIL
 - b. Consumable and spares NIL
 - ii) Earnings in foreign currency NIL
 - iii) Expenditure in foreign currency - Travel & others NIL
 - iv) Dividend paid in foreign currency NIL
14. 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:

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

	31.03.2014	31.03.2013
Present value of the obligation as at the beginning of the period	2002100	1482572
Interest cost	158166	127501
Current service cost	661730	564520
Past service cost – (non vested benefits)	-	-
Past service cost – (vested benefits)	-	-
Benefits paid	-	-
Actuarial loss / (gain) on obligation (balancing figure)	(104957)	(172493)
PVO as at the end of the period	2717039	2002100

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	104957	172493
Actuarial gain / (loss) for the period – Plan Assets	-	-
Total (gain) / loss for the period	(104957)	(172493)
Actuarial (gain) / loss recognized in the period	(104957)	(172493)
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	2717039	2002100
Fair value of plan assets	-	-
Difference	2717039	2002100
Unrecognized transitional liability	-	-
Unrecognized past service cost – non vested benefits	-	-
Liability recognized in the balance sheet	2717039	2002100

F. Expenses recognized in the statement of Profit and Loss:

Current service cost	661730	564520
Interest cost	158166	127501
Expected return on plan assets	-	-
Net actuarial (gain) / loss recognized in the year	(104957)	(172493)
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	714939	519528

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

G. Movements in the liability recognized in the balance sheet

Opening net liability	2002100	1482572
Expenses as above	714939	519528
Contribution paid	-	-
Closing net liability	2717039	2002100

H. Amount for the current period

Present value of obligation	2717039	2002100
Plan assets	-	-
Surplus / (Deficit)	(2717039)	(2002100)
Experience adjustments on plan liabilities – (loss) / gain	(33189)	243635

I. Principal Actuarial assumptions (Expressed as weighted averages)

Discount rate	8.90%	7.90%
Salary escalation rate	10.00%	10.00%
Attrition rate	20.00%	20.00%
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 **V E K A M AND ASSOCIATES**

Firm Registration No: 052565

Chartered Accountants

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

Partner

Membership No. 026129

Place : Coimbatore

Date : 24th May, 2014

For and on behalf of the Board of Directors

(Sd.) **Dr. S.K. Sundaramoorthy**

Chairman and Managing Director

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

Director

(Sd.) **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

17th 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 17th ANNUAL GENERAL MEETING of the Company held on Wednesday, the 24th September, 2014 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 2013-14 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 2013-14 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
Thursday, 18 th September, 2014 (From 9.00 AM)	Saturday, 20 th September, 2014 (6.00 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

17th ANNUAL GENERAL MEETING

Name of the member (s)	
Registered Address	
E-mail ID	
Folio 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 17th Annual General Meeting of the Company to be held on Wednesday, 24th September, 2014 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: lotussecdept@gmail.com, Website: www.lotuseye.org

Phone: 0422-4229900 Fax: 0422 4229933

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 24th May, 2014 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, 2014 including audited balance Sheet as at 31 st March, 2014 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	Appointment of Dr. S.S.Badrinath as an Independent Director		
5	Appointment of Mr. D.R.Karthikeyan as an Independent Director		
6	Appointment of Mr. G.R.Karthikeyan as an Independent Director		
7	Appointment of CA R.Subramanian as an Independent Director		
8	Appointment of Dr.Yogesh Shah as an Independent Director		
9	Appointment of CA M.Alagiriswamy as an Independent Director		
10	To seek the approval of members for borrowing powers of the Company		
11	To seek the approval of members for creation of charge on properties of the Company		

Signed this day of 2014

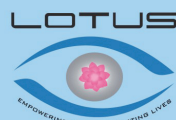
Signature of Shareholder

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 17th 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
4. Please complete all details including details of member(s) in the above box before submission.

Affix
Revenue
Stamp not
less than
Rs. 1

Hospital Branches



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