

16th Annual Report

2012 - 13



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

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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
	-	Sri. R. Subramanian
	-	Sri. M. Alagiriswamy
	-	Dr. Kavetha Sundaramoorthy (Alternate Director Mr. P.K. Venkatachalam)
	-	Ms. Sangeetha Sundaramoorthy
Company Secretary	-	Sri. K. Rangasamy
Auditors	-	M/s. VEKAM 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, 3rd Floor 1391/A-1, Sathy Road, Ganapathy Post, Coimbatore - 641 006.

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

NOTICE TO THE MEMBERS

Notice is hereby given that the 16th Annual General Meeting of the shareholders of Lotus Eye Hospital and Institute Limited will be held on Wednesday, 25th day of September, 2013 at 3.00 P.M. at the Registered Office of the Company at S.F. No. 770/12, Avinashi Road, Civil Aerodrome Post, Coimbatore – 641 014 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March 2013 and the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr.D.R.Kaarthikeyan, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Dr.Yogesh Shah, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s.V E K A M and Associates, Chartered Accountants, Coimbatore retiring Auditors as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be determined by the board of directors of the company.

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

Place : Coimbatore
Date : 24th May, 2013

(Sd.) K. Rangasamy
Company Secretary



Notes:

1. A member entitled to attend and vote at this Annual General Meeting may appoint a proxy to attend and vote on his / her behalf. A proxy need not be a member of the company. The instrument appointing the proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of the power or other authority shall be deposited at the Registered Office of the company at S.F. No. 770/12, Avinashi Road, Civil Aerodrome Post, Coimbatore – 641 014 not less than 48 hours before the commencement of the meeting.
2. In case of joint holders attending the meeting, only such joint holder whose name appears at the top in the hierarchy of names shall be entitled to vote.
3. Shareholders are requested to bring their copy of the Annual Report.
4. Members/Proxies should bring the attendance slips duly filled in and signed for attending the meeting.
5. Corporate members are requested to send a certified copy of Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
6. The Register of Members and Share Transfer Books will remain closed from 19th September, 2013 to 25th September, 2013 (both days inclusive).
7. Members holding shares in dematerialised form (electronic form) are requested to intimate any change in their address, bank mandate etc. directly to their respective Depository Participants.
8. Members are requested to quote ledger folio / client ID numbers in all their correspondences.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit the PAN details to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Share Transfer Agent M/s.S.K.D.C.Consultants Limited, Coimbatore.
10. The Ministry of Corporate Affairs, New Delhi (MCA) has taken a “Green Initiative” in the corporate governance by permitting paperless compliances by companies vide its Circular No.17/2011 dated April 21, 2011 and Circular No. 18/2011 dated April 29, 2011 which validates the sending of documents through electronic mode and clarified that the service of documents by a company can be made through electronic mode instead of sending the physical copy of the document(s). The members are requested to support this ‘Green Initiative’ by registering / updating their e-mail address with the company or Share Transfer Agent M/s.S.K.D.C. Consultants Limited, Coimbatore.
11. As a measure of economy, copies of Annual Reports will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copies of Annual Report to the meeting.
12. Members seeking any information as regards the accounts are requested to write to the Company atleast seven days prior to the meeting so as to enable the management to keep the information available.

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

Place : Coimbatore
Date : 24th May, 2013

(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 16th Annual Report of your Company together with the Audited Financial Statements for the year ended 31st March 2013.

FINANCIAL RESULTS

(₹ in lacs)

Particulars	31.03.2013 (Current year)	31.03.2012 (Previous year)
Income from Operations and other income	2979.36	2658.63
Profit before Depreciation and Tax	423.36	189.60
Less: Depreciation	373.20	414.11
Profit /(Loss) before Tax	50.16	(224.51)
Less: Provision for Taxes	8.66	0.66
Profit / (Loss) after tax transferred to Reserves & Surplus	41.50	(225.17)

Review of Operations and Performance:

You will be glad to note that your company registered a growth of 12.06% in respect of turnover from ₹. 2658.63 lacs in 2011-12 to ₹. 2979.36 in 2012-13. Your Company made a net profit of ₹.41.50 lacs in 2012-13 against a net loss of ₹.225.17 lacs during the previous financial year 2011-12. Your directors will take severe 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 out for better infrastructure facilities either own or rented at Salem and Tirupur. The existing facility at Peramanur East, Salem does not have lift facility and the space is not adequate.

Your Company has planned to set up an operation theatre at Mettupalayam center and 75% of the work has been completed. And also planning to establish the new center at Gobichettipalayam.

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 among the public.

Our company is situated in 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 give their recommendations to the management.

Directors:

Mr.D.R.Kaarthikeyan and Dr. Yogesh shah retire by rotation at the forthcoming Annual General Meeting and being eligible to offer themselves for re-appointment.

Directors' Responsibility Statement:

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000, the Directors of the company hereby state and confirm that

- I. In the preparation of the annual accounts the applicable accounting standards have been followed.
- II. Appropriate accounting policies have been selected and applied consistently, and judgments and estimates that have been made are reasonable and prudent so as to give a true and fair view of the company at the end of the financial year and of the 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 preventing and detecting fraud and other irregularities.
- IV. Annual accounts have been prepared on a "going concern" basis.

Particulars of Employees:

As on 31st March 2013, 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)

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Rules, 1988 are not applicable. The particulars regarding foreign exchange inflow and outflow appear as item no. 13 in General Notes on Accounts.

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:

M/s. V E K A M and Associates, Chartered Accountants, the Auditors of the Company retire at the forthcoming Annual General Meeting have confirmed their eligibility and willingness to accept the office of the Statutory Auditors, if re-appointed.

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, 2013

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



REPORT ON CORPORATE GOVERNANCE
(Annexure to the Sixteenth Directors' Report 2012-13)

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 are 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 2013, the strength of the Board is Nine Directors of which one is an 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	Other Directorship	Membership in Board Committees	
			Member	Chairman
Dr. S.K. Sundaramoorthy (Chairman and Managing Director)	Executive Promoter	NIL	1	-
Mr. P.K. Venkatachalam (Alternate Director)	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	-	-
Mr. 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	-
Mr. M. Alagiriswamy	Non-Executive Independent	1	2	-

(b) Meeting

The Board met four times during the year i.e. on 28th May,2012, 7th August, 2012, 10th November, 2012 and 14th February, 2013.

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 (1)	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	-	-	Yes
Mr. R.Subramanian	3	3	-	-	Yes
Mr. Yogesh Shah	1	-	1	-	No
Ms. Sangeetha Sundaramoorthy	2	2	-	-	Yes
Dr. Kavetha Sundaramoorthy	1	-	-	-	No
Mr.G.R.Karthikeyan	3	1	1	-	No
Mr.M.Alagiriswamy	4	2	-	-	Yes

The figures within brackets denote the number of meetings held during the period from 1st April 2012 to 31st March 2013

(c) General Meetings

During the period two General meeting was held as per the details hereunder:

Particulars	15 th AGM 2012	EGM
Date of Meeting	24 th September 2012	22 nd March 2013
No. of Members Attended	18	17
No. of Proxy Attended	-	-
Chairman of the Meeting	Dr.S.K.Sundaramoorthy	Dr.S.K.Sundaramoorthy
Company Secretary	Mr.K.Rangasamy	Mr.K.Rangasamy

3. Composition of Board Committees

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

- a. Audit Committee
- b. Remuneration Committee
- c. Share Transfer and Investor Grievance Committee.

(a) Audit Committee

The Audit Committee of the company is constituted with the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchanges. The Committee was 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.	Mr. 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.	Mr.M.Alagiriswamy	Member – Independent – Non-Executive
	Name of the Invitee	Sri 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.



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 remuneration for Chairman and Managing Director for the Financial Year ended 31st March, 2013 is paid on the basis of the approval accorded by the Shareholders in the 15th Annual General Meeting held on 24th September, 2012 and in accordance with and subject to the limits laid down in Schedule XIII of the Companies Act, 1956.

The Committee also recommends the remuneration of Managing Director within the limits approved by the Shareholders.

The Committee consists of 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

The Committee has not conducted any meeting during the financial year ended 31st March 2013.

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.	Mr. 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.	Mr.M.Alagiriswamy	-	Member	-	Independent	- Non-Executive

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

During the year the company has not received any complaints from the investors and there are no outstanding complaints as on 31.03.2013.

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 of Meeting	Venue	Special Resolutions
31 st March, 2010	13 th AGM	17.09.10	Kasthuri Srinivasan Trust, "Culture Centre", Avinashi Road, Coimbatore -641 014.	Yes
31 st March, 2011	14 th AGM	28.09.11	"	Nil
31 st March, 2012	15 th AGM	24.09.12	"	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 as Note:3 of General Note No.27 in Notes on Accounts forming part of the Accounts, as required under Accounting Standard 18 of The Institute of Chartered Accountants of India and all related party transactions are negotiated, on an arm's length basis. There were no materially significant related party transactions with directors, promoters, management, relatives or related Companies etc. which had potential conflict, with the interests of the Company at large.

Transactions, in which directors may have substantial interest, are submitted to the Board and the interested directors, neither 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 2013.

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, 25 th September, 2013
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:

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

c. Date of Book Closure : 19th September 2013 to 25th September 2013 (both days inclusive)

d. Listing of

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

b. Listing Fees : Listing fees paid for the above Stock Exchanges for 2012-13 and 2013-14.

e. Custodial Fees : Custodial fees paid to the CDSL and NSDL for 2012-13 and 2013-14

f. Stock Exchange Security Code For Equity Shares :

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

g. Demat ISIN Numbers in NSDL & CDSL for Equity Shares

: INE 947I01017

h. Address of the Registered Office : 770/12, Avinashi Road, Civil Aerodrome Post,
Coimbatore – 641 014.

Hospital Branches

1. 155B, East Periasamy Road, Opposite to Chinthamani, North Coimbatore, R.S.Puram, Coimbatore – 641 002.
2. No.5(2), Gajalakshmi Theatre Road, Tirupur – 641 601.
3. 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 2012-13, 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 2012 to March 2013 (Shares listed on 11.07.2008) are given below:

Month	Share Price in ₹.			
	BSE (High & Low)		NSE (High & Low)	
April, 2012	11.00	08.20	10.10	08.10
May, 2012	10.35	08.25	10.40	08.30
June, 2012	09.00	08.00	09.40	08.05
July, 2012	09.00	07.48	08.80	07.55
August, 2012	08.69	07.31	08.80	07.35
September, 2012	08.36	07.50	09.80	07.20
October, 2012	08.70	07.80	09.80	07.50
November, 2012	08.50	07.60	08.50	07.00
December, 2012	09.73	08.00	09.90	07.90
January, 2013	10.00	08.04	10.00	08.00
February, 2013	08.38	06.50	08.90	06.65
March, 2013	07.99	06.50	07.85	06.10

10. Distribution of Shareholders

a. Categories of Shareholders on 31.03.2013

S.No	Category	No. of Share holders	No. of Shares held	% of paid up Share Capital
1	Promoters and Promoters group	5	10986246	52.83
2	Foreign Institutional Investors	1	75000	0.36
3	Bodies Corporate	208	661263	3.18
4	Individuals	8362	8382200	40.30
5	Others	303	691621	3.33
	Total	8879	20796330	100.00



b. Distribution of Shareholding as on 31.03.2013

Range (No. of Shares)	No. of Share holders	No. of Equity Shares	% of Shareholding
1 - 500	6491	1300993	6.26
501 - 1000	1216	1047772	5.04
1001 - 2000	561	894055	4.30
2001 - 3000	192	496269	2.39
3001 - 4000	77	279305	1.34
4001 - 5000	101	484668	2.33
5001 - 10000	126	925418	4.45
10001 and above	115	15367850	73.89
Total	8879	20796330	100.00

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

12. Dematerialization of Shares:

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

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

As on 31st March 2013, 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 2013.

for and on behalf of the Board

Place : Coimbatore
Date : 24th May, 2013

(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, (Formerly Lotus Eye Care Hospital Limited) Coimbatore.

We have examined the compliance of conditions of Corporate Governance by LOTUS EYE HOSPITAL AND INSTITUTE LIMITED for the year ended on 31.03.2013, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

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, 2013

(Sd.) **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 2013 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, 2013

(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, 2013, 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 issued by the Institute of Chartered Accountants of India. 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, 2013;
- 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, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, 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.) **M.P. Panneerselvan**

Partner

Membership No. 026129

Place : Coimbatore
Date : 24th May, 2013



ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of 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, 2013.

- (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 inventory, 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 procedures 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 a slight delay in a few cases except that *employees security deposit amounting to ₹. 20.96 lakhs* has not been deposited with scheduled banks or post office savings scheme. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

cess were in arrears as at 31.03.2013 for a period of more than six months from the date they became payable except the following;

Nature of statute	Nature of Dues	Amount (. In Lakhs)	Period to which amount relates	Due Date	Date of Payment
Kerala Value Added Tax Act.	VAT Liability	1.77	01.04.2011 to 31.03.2012	Subsequent month after accrual	yet to be paid

- b) 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 2013 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, 2013

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



Balance Sheet as at 31st March, 2013

(₹. in Lacs)

Particulars	Note No.	As at 31.03.2013	As at 31.03.2012
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	2,079.63	2,079.63
(b) Reserves and Surplus	3	3,052.96	3,011.46
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	4	11.45	26.13
(b) Deferred Tax Liabilities (Net)	5	16.98	21.69
(c) Long-Term Provisions	6	14.83	10.52
(3) Current Liabilities			
(a) Trade Payables	7	373.96	335.18
(b) Other Current Liabilities	8	108.72	103.90
(c) Short-Term Provisions	9	31.03	16.38
TOTAL		5,689.56	5,604.89
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		4,518.88	4,770.77
(ii) Intangible Assets		11.72	7.24
(iii) Capital work in progress		18.01	-
		4,548.61	4,778.01
(b) Long term loans and advances	11	389.33	440.83
(c) Other non-current assets	12	2.65	5.84
(2) Current Assets			
(a) Inventories	13	314.94	210.10
(b) Trade receivables	14	30.93	38.15
(c) Cash and cash equivalents	15	232.72	(2.59)
(d) Short-term loans and advances	16	170.38	134.54
TOTAL		5,689.56	5,604.89

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.) **M.P. Panneerselvan**

Partner

Membership No. 026129

Place : Coimbatore

Date : 24th May, 2013

For and on behalf of the Board of Directors

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

(Sd.) **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, 2013 (₹. in Lacs)

Particulars	Note No.	As at 31.03.2013	As at 31.03.2012
INCOME:			
Revenue from operations	17	2,910.84	2,622.58
Other Income	18	63.81	22.34
TOTAL REVENUE		2,974.64	2,644.91
EXPENSES:			
Cost of materials consumed	19	348.54	337.07
Purchase of Stock-in-Trade	20	559.39	504.77
Service Expenses	21	610.40	564.13
Changes in inventories	22	(59.49)	(30.58)
Employee Benefit Expenses	23	532.54	452.17
Financial Cost	24	1.76	2.20
Depreciation and Amortization Expenses	25	373.20	414.08
Other Expenses	26	562.87	639.25
TOTAL EXPENSES		2,929.20	2,883.10
Profit / (Loss) before Tax and Exceptional item		45.44	(238.19)
Add: Depreciation written back		-	13.69
Profit before Tax		45.44	(224.50)
Tax Expenses			
(1) Current tax (including Provisions)		8.66	-
(2) Deferred tax		(4.72)	0.66
Profit/(Loss) for the year		41.50	(225.17)
Earning per equity share:			
(1) Basic		0.20	(1.08)
(2) Diluted		0.20	(1.08)

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.) **M.P. Panneerselvan**

Partner

Membership No. 026129

Place : Coimbatore

Date : 24th May, 2013

For and on behalf of the Board of Directors

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

Chairman and Managing Director

(Sd.) **R. Subramanian**

Director

(Sd.) **K. Rangasamy**

Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(₹. in lacs)

Particulars	For the year 2012-13	For the year 2011-12
A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit/Loss Before Tax and Extraordinary Items	45.44	(224.50)
ADJUSTMENTS FOR:-		
Depreciation	370.00	399.83
Income on Investments	(20.87)	(8.34)
Preliminary Expenses Written off	3.20	14.25
Interest Expenses	1.76	2.20
Operating profit before working capital changes	399.53	183.45
ADJUSTMENTS FOR:-		
(Increase) / Decrease In Sundry Debtors	7.23	4.16
(Increase) / Decrease In Loans and Advances	15.66	40.96
(Increase) / Decrease In Inventories	(104.84)	(43.61)
Increase / (Decrease) In Current Liability	57.84	57.59
Cash Generated From (Used In) Operating Activities	375.43	242.55
Tax Paid	(3.94)	(0.66)
Others (depreciation Written Back)	-	(13.69)
Net Cash Generated from /(Used In) Operating Activities	371.49	228.20
B) CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	(122.60)	(338.16)
Capital WIP	(18.01)	0.00
Sales of Assets	-	0.86
Interest Received	20.87	8.34
Net Cash Generated from (Used In) Investing Activities	(119.74)	(328.96)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Interest Expenses	(1.76)	(2.20)
Increase / (Decrease) In Unsecured Loan	(14.68)	16.83
Net Cash From / (Used In) Financing Activities	(16.44)	14.63
(Increase)/Decrease In Cash and Cash Equivalents	235.31	(86.13)
Cash and Cash Equivalents at the Beginning of the Year	(2.59)	83.54
Cash and Cash Equivalents at the End of the Year	232.72	(2.59)
Cash on Hand	7.52	9.01
Balance With Bank	225.20	(11.60)

As per our Report of even date attached

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

Firm Registration No: 05256S

Chartered Accountants

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

Partner

Membership No. 026129

Place : Coimbatore

Date : 24th May, 2013

For and on behalf of the Board of Directors

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

Chairman and Managing Director

(Sd.) **R. Subramanian**

Director

(Sd.) **K. Rangasamy**

Company Secretary

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

NOTE NO: 1

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 referred to in sub section 3C of section 211 of the companies Act, 1956 and normally accepted accounting principles.

b) Accounting Standards

Accounting standards prescribed by the Department of Corporate Affairs (Formerly known as Department of Company Affairs) and referred to in the Companies Act, 1956 have been followed wherever applicable.

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. Depreciation charged on the Improved Leased Asset earlier has been written back.

d) Inventories

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

e) Revenue Recognition

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

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

f) Borrowing Cost

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

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

g) Lease

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

h) Translation of Foreign Currency Transactions

- 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 ₹. In Lakhs, except for per share and as otherwise stated

NOTE NO: 2 SHARE CAPITAL		(₹. in lacs)	
Sl. No.	Particulars	As at 31.03.2013	As at 31.03.2012
1.	Authorised Capital		
	2,50,00,000 Equity Shares of ₹. 10/- each.	2,500.00	2,500.00
		<u>2,500.00</u>	<u>2,500.00</u>
2.	Issued, Subscribed & Paid up capital		
	2,07,96,330 Equity Shares of ₹. 10/- each	2,079.63	2,079.63
	Total	2,079.63	2,079.63

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

Sl. No.	Name of the Shareholder	Equity shares As at 31.03.2013		Equity shares As at 31.03.2012	
		No. of shares held	% of holding	No. of shares held	% of holding
1	Dr. S.K.Sundaramoorthy	10,539,946	50.68	10,502,563	50.50
2	Ms.Sangeetha Sundaramoorthy	-	-	223,050	1.07



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

Sl. No.	Particulars	Equity shares As at 31.03.2013		Equity shares As at 31.03.2012	
		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 31.03.2013	As at 31.03.2012
1.	Share Premium Reserve	2,514.14	2,514.14
2.	Surplus (Profit & Loss Account)	538.82	497.32
	Balance brought forward from previous year	497.32	722.48
	Add: Profit/(Loss) for the period	41.50	(225.17)
	Total	3,052.96	3,011.46

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, 2013

₹. In lakhs

Particulars	As at 31.03.2013	As at 31.03.2012
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	65.08	58.87
Net IPO Proceeds	3,477.22	3,471.01
Less :Funds deployed towards the project	3,381.82	3,416.82
Unutilized IPO funds deposited in the form of Temporary investment/Current account with bank	95.40	54.19

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

NON-CURRENT LIABILITIES

Note No. 4 Long Term Borrowings

(₹. in lacs)

Sl. No.	Particulars	As at 31.03.2013	As at 31.03.2012
1.	Term Loan		
	From Banks (Unsecured)	-	-
	From Other Parties		
	Kotak Mahindra Prime Limited	11.45	26.13
	Total	11.45	26.13

Note No. 5 Deferred Tax Liabilities (Net)

Sl. No.	Particulars	As at 31.03.2013	As at 31.03.2012
1.	Deferred tax liability on account of Accumaltd Depreciation	21.69	21.03
	Add : Deferred tax liability created during the year	(4.72)	0.66
	Total	16.98	21.69

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 31.03.2013	As at 31.03.2012
	Provision for Gratuity	14.83	10.52
	Total	14.83	10.52

CURRENT LIABILITIES

Note No. 7 Trade Payables

Sl. No.	Particulars	As at 31.03.2013	As at 31.03.2012
A	- Sundry Creditors for Capital Goods	32.97	82.05
B	- Sundry Creditors for Services:		
	i) Consumables	119.39	96.58
	ii) Pharmacy	50.47	39.65
	iii) Optical Lens & Frames	106.04	88.28
	iv) Canteen	2.45	2.61
C	Others	62.64	26.01
	Total	373.96	335.18



- 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 31.03.2013	As at 31.03.2012
i	Current maturities of long term debt.	14.76	16.78
ii	Accrued salaries and benefits	40.69	45.97
iii	Advance received from customers	13.62	2.92
iv	Statutory Dues	8.51	5.44
v	Other Liabilities	31.16	32.80
Total		108.72	103.90

- a. Other liabilities includes caution deposit collected from employees who are in service amounting to ₹. 19.68 Lakhs.
- b. Accrued salaries and benefits includes provision for Provident Fund, ESI and EDLI.

Note No. 9 Short Term Provisions

Sl. No.	Particulars	As at 31.03.2013	As at 31.03.2012
1	Provision for employee benefits		
a.	Provision for Gratuity	5.20	4.30
2.	Provision for Tax (Including wealth tax)	9.66	1.00
3	Other Short term provisions	16.17	11.07
Total		31.03	16.38



Note No. 11 Long Term Loans and Advances

(₹. in lacs)

Sl. No.	Particulars	As at 31.03.2013	As at 31.03.2012
1.	Capital Advances	214.58	273.45
2.	Security Deposit		
	Electricity & Other Deposit	32.12	32.15
	Indusind Bank - Deposit against BG	24.66	23.26
3.	Other Loans and advances		
	Rent Deposits	117.97	111.97
	Total	389.33	440.83

Note No. 12 Other Non Current Assets

Sl. No.	Particulars	As at 31.03.2013	As at 31.03.2012
i.	Others (Miscellaneous expenditure)	2.65	5.84
	Total	2.65	5.84

CURRENT ASSETS

Note No. 13 Inventories

Sl. No.	Particulars	As at 31.03.2013	As at 31.03.2012
1	Pharmacy	30.69	25.16
2	Canteen	0.69	0.44
3	Consumables	97.83	52.49
4	Optical Frames	174.77	121.06
5	Contact lens	10.94	10.95
	Total	314.94	210.10

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 31.03.2013	As at 31.03.2012
1	Outstanding for more than six months		
	a) Unsecured, Considered Good	6.42	5.60
2	Other receivables		
	a) Unsecured, Considered Good	24.50	32.55
	Total	30.93	38.15

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Note No. 15 Cash & Cash Equivalent

(₹. in lacs)

Sl. No.	Particulars	As at 31.03.2013	As at 31.03.2012
a)	Cash and cheques on hand	7.52	9.01
b)	Balance with Banks		
	In Current Accounts	(95.51)	(98.29)
	In Deposit Accounts	320.71	86.69.
	Total	232.72	(2.59)
Current account includes			
i)	Public issue refund account	0.26	0.26
ii)	Public issue current account	3.27	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 ₹. 92.13 lakhs deposited in the form of temporary investment.

Note No. 16 Short Term Loans and Advances

Sl. No.	Particulars	As at 31.03.2013	As at 31.03.2012
a)	Advance for expenses	105.36	102.42
b)	Prepaid expenses	65.02	32.13
	Total	170.38	134.54

Note No. 17 Revenue from Operations

Sl. No.	Particulars	As at 31.03.2013	As at 31.03.2012
1	Income From Medical Services	1,737.53	1,608.97
2	Income from Other utilities	43.63	38.26
3	Pharmacy Sales	252.55	219.32
4	Contact Lens & Opticals	877.13	756.02
	Total	2,910.84	2,622.58

Note No. 18 Other Income

Sl. No.	Particulars	As at 31.03.2013	As at 31.03.2012
1	Interest on FDR's	20.87	8.34
2.	Discount Received	29.15	-
3.	Other Receipts	13.79	14.00
	Total	63.81	22.34

**Note No. 19 Cost of Material Consumed**

(₹. in lacs)

Sl. No.	Particulars	As at 31.03.2013	As at 31.03.2012
	Opening Stock	52.49	39.46
	Add: Purchases	393.88	350.10
		<u>446.37</u>	<u>389.56</u>
	Less: Closing Stock	97.83	52.49
	Total	348.54	337.07

Note No. 20 Purchase of Stock in Trade

Sl. No.	Particulars	As at 31.03.2013	As at 31.03.2012
1	Pharmacy Purchase	170.90	163.95
2	Purchase of Contact Lens & Opticals	353.99	310.70
3	Canteen & Utility Purchase	34.50	30.12
	Total	559.39	504.77

Note No. 21 Service Expenses

Sl. No.	Particulars	As at 31.03.2013	As at 31.03.2012
1	Professional charges to Doctors	519.65	492.58
2	Power & Fuel	90.76	71.55
	Total	610.40	564.13

Note No. 22 Changes in Inventories

Sl. No.	Particulars	As at 31.03.2013	As at 31.03.2012
1	Opening Stock	157.61	127.03
2	Closing Stock	217.10	157.61
	(Increase)/Decrease in Inventories	(59.49)	(30.58)

Note No. 23 Employee Benefit Expenses

Sl. No.	Particulars	As at 31.03.2013	As at 31.03.2012
1	Salaries & Bonus	454.70	394.67
2	Contribution to Provident and other Funds	31.13	27.89
3	Staff Welfare Expenses	10.70	11.61
4	Directors Remuneration	36.00	18.00
	Total	532.54	452.17

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

Note No. 24 Financial Cost

(₹. in lacs)

Sl. No.	Particulars	As at 31.03.2013	As at 31.03.2012
1	Interest on Cash Credit Facility	-	0.40
2	Interest on Term loan	1.76	1.80
	Total	1.76	2.20

Note No. 25 Depreciation & Amortised Cost

Sl. No.	Particulars	As at 31.03.2013	As at 31.03.2012
1	Depreciation	318.73	353.22
2	Preliminary Expenses W/O	3.20	14.25
3	Improved Leased assets Written off	51.27	46.61
	Total	373.20	414.08

Note No. 26 Other Expenses

Sl. No.	Particulars	As at 31.03.2013	As at 31.03.2012
1	Hospital Upkeep Expenses	15.99	17.67
2	Advertisement & Publicity	51.74	152.59
3	Auditors Remuneration	2.53	2.21
4	Bank Charges	3.52	2.67
5	Board and AGM Meeting Expenses	4.48	4.99
6	Camp Expenses	1.63	1.21
7	Directors Sitting Fees	1.36	1.10
8	Donation	2.00	1.32
9	Insurance Expenses	7.02	3.59
10	Interest on TDS	0.06	0.32
11	License & taxes	16.34	12.72
12	Marketing,Conference expenses	13.71	11.45
13	Postage & Telegram	4.77	2.62
14	Printing & Stationery Expenses	21.86	26.45
15	Professional & Recommendation Charges	14.70	11.94
16	Rent	197.52	194.59
17	Sales Tax	46.09	37.71
18	Service Tax Paid	10.34	-
19	Security Expenses	17.41	16.52
20	Sundry balance written off	0.05	0.36
21	Telephone Expenses	9.83	10.94
22	Travelling Expenses	4.71	4.26
23	Water Charges	8.90	9.58
24	Zyoptix Supracor Inauguration Expenses	-	1.29
25	Prior Period Expenses/(income)	5.81	24.35
26	Repairs & Maintenance - Building	13.43	1.80
27	Repairs & Maintenance - AMC	51.06	20.43
28	Repairs & Maintenance - Equipment	4.53	41.82
29	Repairs & Maintenance - Electrical	4.53	4.92
30	Repairs & Maintenance - Vehicle	13.06	9.19
31	Repairs & Maintenance - Others	4.39	3.36
32	Administrative & Other Expenses	9.49	5.29
	Total	562.87	639.25

**Auditors Remuneration**

(₹. in lacs)

Sl. No.	Particulars	As at 31.03.2013	As at 31.03.2012
1	For Statutory Audit	1.80	1.60
2	For Taxation	0.45	0.40
3.	For Service Tax	0.28	0.21
	Total	2.53	2.21

Prior Period Expenses

Sl. No.	Particulars	As at 31.03.2013	As at 31.03.2012
1	Personnel cost	-	0.15
2	Professional charges	0.52	0.62
3	Boarding & Travelling expenses	0.06	0.25
4	Selling expenses	11.68	0.43
5	Service expenses	6.86	18.50
6	Repairs & Maintenance	0.19	3.75
7	Discount Received	(13.88)	-
8	Other administrative expenses	0.38	0.66
	TOTAL	5.81	24.35

General Note No: 27:

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

	31.03.2013	31.03.2012
Net Profit/(Loss) after tax	41.50	(225.17)
Number of shares issued	20796330	20796330
The Nominal value per equity share (₹.)	10	10
Basic/Diluted EPS	0.20	(1.08)

2. Figures have been rounded off to the nearest thousands and previous year's figures have been regrouped wherever necessary.

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 2012-13

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

(₹. in lacs)

Nature of transaction	Key Management personnel	Other related parties	Total
Lease rent paid	19.92	9.60	29.52
Lease rent received	-	1.14	1.14
Remuneration, Rent & Perquisites	39.09	-	39.09
Cheque / Cash paid	-	-	-
Cheque / Cash received	2.97	-	2.97

Remuneration paid to Managing / Whole time Director during the year 2012-13

Remuneration ₹. 36.00 Lakhs

House Rent including Perquisites ₹. 3.09 Lakhs

4. Disclosure regarding lease transactions :

- Lease rent paid to Dr.S.K.Sundaramoorthy for leasing medical equipments to the company ₹. 19.92 Lakhs.
- 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 2012-13.

6. Amount of contribution to employees provident fund during the year is ₹. 16.35 Lakhs (previous year ₹. 14.50 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 31.03.2013.

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 ₹. 22.01 Lakhs

i. CIF value of imports

a. Capital goods ₹. 22.01 Lakhs

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 are common for all the employees of the company.

a) Defined benefit plan:



(Amount in ₹.)

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

	31.03.2013	31.03.2012
Present value of the obligation as at the beginning of the period	1482572	1052083
Interest cost	127501	79958
Current service cost	564520	488331
Past service cost – (non vested benefits)	-	-
Past service cost – (vested benefits)	-	-
Benefits paid	-	-
Actuarial loss/(gain) on obligation (balancing figure)	(172493)	(137800)
PVO as at the end of the period	2002100	1482572

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	172493	137800
Actuarial gain / (loss) for the period – Plan Assets	-	-
Total (gain) / loss for the period	(172493)	(137800)
Actuarial (gain) / loss recognized in the period	(172493)	(137800)
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	2002100	1482572
Fair value of plan assets	-	-
Difference	2002100	1482572
Unrecognized transitional liability	-	-
Unrecognized past service cost – non vested benefits	-	-
Liability recognized in the balance sheet	2002100	1482572

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

Current service cost	564520	488331
Interest cost	127501	79958
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognized in the year	(172493)	(137800)
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	519528	430489

LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

		(Amount in ₹)	
G. Movements in the liability recognized in the balance sheet			
Opening net liability	1482572	1052083	
Expenses as above	519528	430489	
Contribution paid	-	-	
Closing net liability	2002100	1482572	
H. Amount for the current period			
Present value of obligation	2002100	1482572	
Plan assets	-	-	
Surplus / (Deficit)	(2002100)	(1482572)	
Experience adjustments on plan liabilities – (loss)/gain	243635	55150	
I. Principal Actuarial assumptions(Expressed as weighted averages)			
Discount rate	7.90%	8.60%	
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: 05256S

Chartered Accountants

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

Partner

Membership No. 026129

Place : Coimbatore

Date : 24th May, 2013

For and on behalf of the Board of Directors

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

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

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



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

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

Full name of the Member attending

(To be filled in if first named joint-holder does not attend the Meeting)

Name of Proxy

I hereby register my presence at the ANNUAL GENERAL MEETING held on **Wednesday, 25th day of September, 2013 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)
(To be signed at the time of handing over this slip)

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

PROXY FORM

I/We

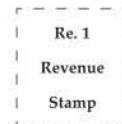
being a member/members of the above-named Company hereby appoint.

As my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on **Wednesday, 25th day of September, 2013 at 3.00 P.M.** and at any adjournment thereof in favour/against of the resolutions

Signed this day of 2013

Registered Folio No.:

No. of Shares held:



Signature



N.B. The instrument appointing proxy should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting.

Hospital Branches



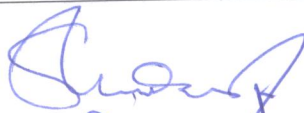


LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

(Formerly Lotus Eye Care Hospital Limited)

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

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 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	NIL
5.	To be signed by	 <i>Refer our Audit Report dt May 24, 2013 on the financial statements of the company</i>  For VEKAM AND ASSOCIATES Chartered Accountants Firm Reg. No. 0052565  M.P. PANNEERSELVAN, - Partner Membership No. 026129
	- CEO / Managing Director	
	- CFO	
	- Auditor of the Company	
	- Audit Committee Chairman	