

**15<sup>th</sup> Annual Report**  
**2011 - 12**



**LOTUS EYE CARE HOSPITAL LIMITED**

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

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## *Board of Directors*

<b>Chairman and Managing Director</b>	-	<b>Dr. S.K. Sundaramoorthy</b>
<b>Directors</b>	-	<b>Sri. D. R. Kaarthikeyan</b>
	-	<b>Dr. S.S. Badrinath</b>
	-	<b>Dr. Yogesh Shah</b>
	-	<b>Sri. R. Subramanian</b>
	-	<b>Dr. Kavetha Sundaramoorthy</b> <b>(Alternate Director Mr. P.K. Venkatachalam)</b>
	-	<b>Ms. Sangeetha Sundaramoorthy</b>
		<b>Sri. G.R. Karthikeyan</b>
		<b>Sri. M. Alagiriswamy</b>
<b>Company Secretary</b>	-	<b>Sri. K. Rangasamy</b>
<b>Auditors</b>	-	<b>M/s. VEKAMAND ASSOCIATES</b> <b>Chartered Accountants</b> <b>Coimbatore-641 012</b>
<b>Bankers</b>	-	<b>Indian Overseas Bank, Ganapathy</b> <b>Coimbatore</b> <b>Indusind Bank Ltd, Coimbatore</b> <b>Axis Bank Ltd, Coimbatore</b> <b>The Federal Bank Ltd, Ernakulam</b>
<b>Registered Office</b>	-	<b>S.F. No. 770/12, Avinashi Road,</b> <b>Civil Aerodrome Post</b> <b>Coimbatore-641 014</b>
<b>Registrar and Share Transfer Agent</b>	-	<b>M/s. S.K.D.C. Consultants Limited</b> <b>Post Box No : 20416</b> <b>Kanapathy Towers, 3rd Floor</b> <b>1391/A-1, Sathy Road, Ganapathy Post,</b> <b>Coimbatore - 641 006.</b>

# LOTUS EYE CARE HOSPITAL LIMITED

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## NOTICE TO THE MEMBERS

Notice is hereby given that the 15<sup>th</sup> Annual General Meeting of the shareholders of Lotus Eye Care Hospital Limited will be held on Monday 24<sup>th</sup> day of September, 2012 at 3.00 P.M. at Kasthuri Srinivasan Trust, "Culture Centre", 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 31<sup>st</sup> March 2012 and the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Dr.S.S.Badrinath, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr.R.Subramanian, 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.

### SPECIAL BUSINESS

5. To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution

"RESOLVED that Mr.G.R.Karthikeyan who was appointed as Additional Director of the company on 28.05.2012 and who ceases to hold office, as such in terms of Section 260 of the Companies Act, 1956 but being eligible for appointment and in respect of whom notice specifying his candidature for the office of directorship is received, be and is hereby appointed as Director of the company, liable to be retire by rotation."

6. To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution

"RESOLVED that Mr.M.Alagiriswamy who was appointed as Additional Director of the company on 28.05.2012 and who ceases to hold office, as such in terms of Section 260 of the Companies Act, 1956 but being eligible for appointment and in respect of whom notice specifying his candidature for the office of directorship is received, be and is hereby appointed as Director of the company, liable to be retire by rotation."

7. To consider and if thought fit to pass with or without modification the following resolution as a special resolution

**RESOLVED** that pursuant to the provisions of section 198,269, 309 & 310 read with Schedule XIII and any other applicable provisions if any of the Companies Act, 1956 including any statutory modification(s) or re- enactment thereof, for the time being in force or any amendments and/or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto, the Board of Directors of the Company hereby accord their approval for the appointment of Dr. S.K.Sundaramoorthy as Managing Director of the Company, for the period of Five years from 01<sup>st</sup> April 2012, the remuneration is fixed for the period of 3 years from 1<sup>st</sup> April 2012 on the following terms:

### REMUNERATION

I Salary: Rs.3,00,000/ P.M

II Commission - Nil

III Perquisites

Category 'A'

01. Housing: Unfurnished accommodation will be provided by the Company

Other perquisites: The following perquisites shall be allowed subject to a maximum of 50% of salary



- 
- A. Leave ( as per rules of the Company)
  - B. Leave Travel concession for self and his family
  - C. Reimbursement of medical expenses incurred for self and his family
  - D. Reimbursement of expenditure incurred on gas, electricity, water, furnishings and appliances
  - E. Reimbursement of club expenses for self
  - F. Health and personal accident insurance cover for self.

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

**Category "B"**

Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on prerequisites to the extent these singly or put together are not taxable under the Income Tax Act. Gratuity payable shall not exceed 15 days salary for each completed year of service.

**Category "C"**

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

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By order of the Board  
For LOTUS EYE CARE HOSPITAL LIMITED

Place : Coimbatore  
Date : 07<sup>th</sup> August, 2012

(Sd.) K. Rangasamy  
Company Secretary

**Notes:**

1. A member entitled to vote and attend the meeting is entitled to appoint proxy to attend and vote instead of himself and the proxy need not be a member of the company. The instrument appointing proxy should however, be deposited at the Registered office of the Company not less than forty-eight hours before the commencement of the meeting.
2. Shareholders are requested to bring their copy of the Annual Report.
3. Members/Proxies should fill the attendance slip for attending the meeting.
4. Corporate members are requested to send a certified copy of Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
5. The Register of Members and Share Transfer Books will remain closed from 18th September, 2012 to 24th September, 2012 (both days inclusive).
6. The Ministry of Corporate Affairs (MCA), New Delhi has taken a 'Green Initiative' in the corporate governance by permitting paperless compliance 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.
7. 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 Reports to the meeting.
8. Shareholders seeking any information with regard to accounts are requested to write to the Company 7 days prior to the meeting so as to enable the management to keep the information ready.

# LOTUS EYE CARE HOSPITAL LIMITED

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## Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956

Item No.5

Mr.G.R.Karthikeyan was appointed as Additional Director of the company on 28.05.2012 and pursuant to the provision of section 260 of the Companies Act, 1956 his appointment as director ceases at the ensuing Annual General Meeting. The company has received notice from a member specifying the candidature of Mr.G.R.Karthikeyan for the directorship of the company under section 257 of the Companies Act, 1956. the board proposes his appointment for your approval.

None of the directors of the company except Mr.G.R.Karthikeyan is interested or deemed to be interested in the proposed resolution.

Item No.6

Mr.M.Alagiriswamy was appointed as Additional Director of the company on 28.05.2012 and pursuant to the provision of section 260 of the Companies Act, 1956 his appointment as director ceases at the ensuing Annual General Meeting. The company has received notice from a member specifying the candidature of Mr.M. Alagiriswamy for the directorship of the company under section 257 of the Companies Act, 1956. the board proposes his appointment for your approval.

None of the directors of the company except Mr.M. Alagiriswamy is interested or deemed to be interested in the proposed resolution.

Item No. 7

Dr.S.K.Sundaramoorthy, M.S., FRCS (Edin., UK), DORCS ( Eng) is a world renowned ophthalmic surgeon, philanthropist, orator, administrator and dedicated teacher and his service to the health care industry considering his knowledge and more than 3 decades of experience, The Tamilnadu Dr.M.G.R. Medical University, has awarded the 'LIFETIME ACHIEVEMENT AWARD" for his dedication of service to the public. It will be in the interest of the Company to reappoint him as Managing Director of the Company. The Remuneration Committee and the Board of Directors have reappointed Dr. S.K.Sundaramoorthy as Managing Director of the Company for a period of five (5) years with effect from 01<sup>st</sup> April 2012.

The Company is a service industry catering health care services as a single speciality eye hospital serving in the states of Tamilnadu and Kerala. The company could not make profit due to the major infrastructure development for the new centers in this financial year and the results can not be expected in the short period the fruits are expected in the longer run.

The reappointment of the Managing Director and the payment of remuneration are in conformity with Part I and Part II section II B of schedule XIII of the Companies Act, 1956 and the same has been approved by the Remuneration Committee and the Board of Directors.

None of the Directors of the company except Dr. S.K.Sundaramoorthy, Dr. Kavetha Sundaramoorthy and Ms.Sangeetha Sundaramoorthy are interested or deemed to be interested in the proposed resolution

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By order of the Board  
For LOTUS EYE CARE HOSPITAL LIMITED

(Sd.) K. Rangasamy  
Company Secretary

Place : Coimbatore

Date : 07<sup>th</sup> August, 2012



## Directors' Report and Management Discussion and Analysis:

Your Directors have pleasure in presenting the 15<sup>th</sup> Annual Report of your Company together with the audited accounts for the year ended 31<sup>st</sup> March 2012.

### FINANCIAL RESULTS

( ₹ in lacs)

Particulars	31.03.2012 (Current year)	31.03.2011 (Previous year)
Income from Operations and other income	2658.63	1983.82
Profit before Depreciation and Tax	189.60	331.59
Less: Depreciation	414.11	263.85
Profit /(Loss) before Tax	(224.51)	67.74
Less: Provision for Taxes	0.66	24.23
Profit / (Loss) after tax transferred to Reserves & Surplus	(225.17)	43.51

### Review of Operations and Performance:

You will be glad to note that your company registered a growth of 34.01% in turnover from ₹. 1983.82 lacs in 2010-11 to ₹. 2658.63 in 2011-12. Your Company incurred a net loss of ₹. 225.17 lacs in 2011-12 as against a net Profit of ₹. 43.51 lacs during the previous financial year 2010-11. This loss mainly due to the depreciation and amortization of leased assets written off during the year.

**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 will convert the primary eye care center at Mettupalayam and Salem II to the secondary eye care centre. Your company is planning to establish more primary eye care centers within south India.

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

Your Company is on the look off to find a better building at Tirupur so that the present building can be shifted to the new facilities.

### Corporate Social Responsibilities:

Your Company supports in a humble way 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 well established and gaining to grow 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 and introduced new departments in Ophthalmology and additional facilities for patients in Coimbatore and other centers.

# LOTUS EYE CARE HOSPITAL LIMITED

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## 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. Competition by private sectors and obsolescence of medical equipments due to rapid technological changes are the various challenges faced by the company.

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.

## Directors:

Mr.R.Subramanian and Dr. S.S.Badrinath retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

The Board place on record the conferment of "LIFE TIME ACHIEVEMENT AWARD" conferred by Dr.M.G.R. University, Chennai to our Chairman and Managing Director Dr.S.K.Sundaramoorthy for his excellent and outstanding performance in the field of medicine.

## 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 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 going concern basis.

## Particulars of Employees:

As on 31<sup>st</sup> March 2012, 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.





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**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. 9 in 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.

**Report on Corporate Governance:**

Lotus Eye Care Hospital Limited is committed to sound practice of corporate functioning and maximizes customer satisfaction by offering the quality service at the right time and reasonable rate with the right service and complies with all regulations as applicable from time to time. At Lotus Eye Care Hospital the pursuit of perfection is an on-going process enabling it to look back with immense satisfaction on its past achievements and look forward with confidence to a promising challenging future. The strategy is always to maintain the position of leadership through a systematic initiative in the treatment development giving the customers a quality service and to ensure high ethical standard in all its business activities.

**Board of Directors:**

In order to enable the Board to discharge its responsibilities effectively all statutory, significant and material information are placed before the Board on a quarterly basis.

# LOTUS EYE CARE HOSPITAL LIMITED

## Composition:

The Board is headed by Chairman and Managing Director and supported by Seven Non Executive Directors

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	-	-
Mr. G.R. Karthikeyan	Non-Executive Independent	NIL	-	-
Mr. M. Alagiriswamy	Non-Executive Independent	1	-	-

1. Mr.G.R.Karthikeyan and Mr.M.Alagiriswamy were inducted as Additional Directors with effect from 28.05.2012.
2. The Directorship held by Directors as mentioned above do not include Directorship of Foreign Companies, Section 25 Companies and Private Limited Companies.
3. Number of Chairmanships / Memberships in Committees of the Directors are within the limits specified in clause 49 (I) ( c ) (ii) of the Listing Agreement

## Board Meeting and Attendance

Four Board Meetings were held on 24.05.2011, 04.08.2011, 10.11.2011 and 09.02.2012 during the period 1<sup>st</sup> April 2011 to 31<sup>st</sup> March 2012.

Details of attendance of each director at the meetings of the Board and various committees of the Board during the financial year ended 31<sup>st</sup> March, 2012.



Name of the Directors	Board Meeting (4)	Audit Committee (4)	Remuneration Committee	Share Transfer and Investor Grievance Committee (1)	Annual General Meeting
Dr. S.K.Sundaramoorthy	4	-	-	1	Yes
Mr. P.K.Venkatachalam	3	-	-	-	Yes
Dr. S.S.Badrinath	2	-	-	-	No
Mr. D.R.Kaarthikeyan	4	4	-	1	Yes
Mr. R.Subramanian	4	4	-	-	No
Mr. Yogesh Shah	2	-	-	-	No
Ms. Sangeetha Sundaramoorthy	2	2	-	-	Yes
Dr. Kavetha Sundaramoorthy	1	-	-	-	-

The figures within brackets denote the number of meetings held during the period from 1<sup>st</sup> April 2011 to 31<sup>st</sup> March 2012

### General Meetings

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

Particulars	14 <sup>th</sup> AGM 2011
Date of Meeting	28 <sup>th</sup> September 2011
No. of Members Attended	27
No. of Proxy Attended	-
Chairman of the Meeting	Dr.S.K.Sundaramoorthy
Company secretary	Mr.K.Rangasamy

### Committee of Directors

The Board has constituted the following Committee of directors to deal with matters referred to it for timely decisions.

### 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 09.01.2009 with the following non-executive directors as members to determine on behalf of the Board of Directors.

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

Name of the Invitee - Sri M.P.Panneerselvan, Statutory Auditor

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

The Audit Committee would assure to the Board, compliance of adequate internal control system, Accounting Standards and financial disclosure and other issues confirming to the requirements specified by the Companies Act, 1956 and by the Stock Exchanges in terms of Listing Agreement.

The Committee has met 4 times during the financial year ended 31<sup>st</sup> March 2012 and details of attendance are furnished elsewhere in the Annual Report.

# LOTUS EYE CARE HOSPITAL LIMITED

## Remuneration Committee

The Remuneration Committee consists of 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.

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

The Committee has not conducted any meeting during the financial year ended 31<sup>st</sup> March 2012.

## 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.

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

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

The Committee has met one time during the financial year ended 31<sup>st</sup> March 2012 and details of attendance were furnished elsewhere in the Annual Report.

During the year the company has not received any complaints from the investors and there are no outstanding complaints as on 31.03.2012.

## Annual General Meeting

Details of the last three Annual General Meeting are given below:

Financial year	Details of Meeting	Date of Meeting	Venue	Special Resolutions
31 <sup>st</sup> March, 2009	12 <sup>th</sup> AGM	29.09.09	Kasthuri Srinivasan Trust, "Culture Centre", Avinashi Road, Coimbatore -641 014.	Nil
31 <sup>st</sup> March, 2010	13 <sup>th</sup> AGM	17.09.10	"	Yes
31 <sup>st</sup> March, 2011	14 <sup>th</sup> AGM	28.09.11	"	Nil

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.

**Disclosures:**

There are no materially significant related party transactions that would have potential conflict with the interest of the Company at large. Details of related party transactions are given in the notes on accounts.

No penalty or strictures have been imposed on the company by any Capital Market, Regulatory authority for non-compliance of law.

The company has complied with Accounting Standards in the preparation of Balance Sheet, Profit and Loss Account and Cash Flow Statement, as referred in the Directors Responsibility Statement.

The Company has not followed any, accounting treatment different from that of prescribed in the Accounting Standards.

There is no pecuniary relationship or transactions by Non-Executive Directors with the Company.

All the mandatory requirements have been complied with as stated in this report on Corporate Governance.

**Non Mandatory Requirements**

The company at present does not have any Whistle Blower Policy but no personnel are being denied any access to the Audit Committee.

The Board has taken cognizance of the non mandatory requirements and shall consider adopting the same as and when required.

**Means of Communication:**

The quarterly and annual financial results are published in Trinity Mirror, Business Standard (English) and Makkal Kural (Tamil).

The Company Profile, Corporate Information, Shareholding Pattern, Financial Statements, Code of Conduct for Directors and Officers and Service range are displayed in the Company's web-site [www.lotuseye.org](http://www.lotuseye.org).

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

**General Shareholders Information****Annual General Meeting**

Day & Date	:	Monday, 24 <sup>th</sup> September, 2012
Time	:	3.00 P.M.
Venue	:	Kasthuri Srinivasan Trust "Culture Centre", Avinashi Road, Civil Aerodrome Post, Coimbatore – 641 014.

**Financial Calendar:**

Financial year	:	01.04.2011 to 31.03.2012
Annual Results 2011-12 announced	:	30.05.2012
Posting of Annual Reports	:	On or before 31 <sup>st</sup> August, 2012
Last date of receipt of Proxy Forms	:	22.09.2012
Announcement of Quarterly Results	:	August 2011, November 2011, February 2012 & May 2012
Date of Book Closure	:	18.09.2012 to 24.09.2012 (both days inclusive)

# LOTUS EYE CARE HOSPITAL LIMITED

## Listing on Stock Exchanges

The equity shares of the Company are listed at :

1. Bombay Stock Exchange Limited, Mumbai
2. National Stock Exchange of India Ltd, Mumbai

Bombay Stock Exchange Limited, Stock Code	:	532998
National Stock Exchange of India Ltd, Stock Code	:	LOTUSEYE
Demat ISIN Number	:	NSDL - INE 947I01017
	:	CDSL - INE 947I01017

Listing fee for 2011-12 has been paid in respect of both these Stock Exchanges.

## Market Price Data

Monthly High & Low Prices in BSE & NSE (Shares listed on 11.07.2008)

Month	Share Price in ₹.			
	BSE (High & Low)		NSE (High & Low)	
April, 2011	14.24	11.01	14.50	11.00
May, 2011	12.35	10.67	12.80	10.70
June, 2011	12.01	10.14	12.25	10.15
July, 2011	11.95	10.10	11.55	10.05
August, 2011	11.70	8.17	11.70	8.50
September, 2011	10.44	9.25	11.00	9.10
October, 2011	12.22	9.50	11.70	9.00
November, 2011	11.40	7.75	11.45	7.30
December, 2011	9.50	6.66	10.20	6.65
January, 2012	9.70	7.40	9.90	7.40
February, 2012	10.30	8.10	11.25	8.35
March, 2012	9.50	8.00	10.00	8.00

## Shareholding Pattern as on 31.03.2012

S.No	Category	No. of Share holders	No. of Shares held	% of paid up Share Capital
1	Promoters and Promoters group	5	10948863	52.65
2	Foreign Institutional Investors	1	237501	1.14
3	Bodies Corporate	219	810187	3.90
4	Individuals	9323	7966012	38.30
5	Others	338	833767	4.01
	<b>Total</b>	<b>9886</b>	<b>20796330</b>	<b>100.00</b>



## Distribution of Shareholding as on 31.03.2012

Range ( No. of Shares)	No. of Share holders	No. of Equity Shares	% of Shareholding
1 - 500	7270	1465688	7.05
501 - 1000	1350	1160017	5.58
1001 - 2000	617	989753	4.76
2001 - 3000	209	539990	2.60
3001 - 4000	80	287987	1.38
4001 - 5000	112	536734	2.58
5001 - 10000	137	1012944	4.87
10001 and above	111	14803217	71.18
<b>Total</b>	<b>9886</b>	<b>20796330</b>	<b>100.00</b>

### Registrar & Share Transfer / Demat Agents:

M/s. SKDC Consultants Ltd.,  
Kanapathy Towers, 3<sup>rd</sup> floor,  
1391 / A-1, Sathy Road, Ganapathy,  
Coimbatore - 641 006.

### Dematerialization of Shares:

The fully paid up Equity shares (ISIN No.INE947I01017) of the Company are admitted in the demat mode by both the depositories of the country i.e, National Securities Depository Limited and Central Depository Services (India) Limited.

The Company has not issued any ADR/GDR/Warrants or any Convertible Instruments.

### Hospital Locations:

The Hospital has seven centers situated at the following locations.

1. Peelamedu, Coimbatore: SF No.770/12, Avinashi Road, Civil Aerodrome Post, Coimbatore - 641 014
2. R.S.Puram, Coimbatore: 155B, East Periasamy Road, Opposite to Chinthamani, North Coimbatore, R.S.Puram, Coimbatore - 641 002.
3. Tirupur: No.5(2), Gajalakshmi Theatre Road, Tirupur - 641 601.
4. Salem I: 52/2, Peramanur East, Salem - 636 007.
5. Salem II : Anna Vaniga Valagam, Opp. Bus Stand, Salem - 636 004
6. Mettupalayam : No 140, Coimbatore Main Road, Opp.Bus Stand, Mettupalayam - 641 031.
7. Cochin : 53/33A - 33F, Thejas Towers, SA Road, Kadavanthara, Cochin - 682 020.

### Address for Correspondence:

All correspondence from shareholders should be addressed to:

M/s.SKDC Consultants Limited,  
Registrars and Share Transfer Agents  
Kanapathy Towers, 3<sup>rd</sup> Floor,  
1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006.  
Phone: 0422 - 6549995, 2539835, Fax: 0422-2539837.  
E-mail: info@skdc-consultants.com

Place : Coimbatore

Date : 07<sup>th</sup> August, 2012

for and on behalf of the Board  
(Sd.) **Dr. S.K. Sundaramoorthy**  
Chairman and Managing Director

# LOTUS EYE CARE HOSPITAL LIMITED

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## Code of Conduct:

The Code of Conduct for the Directors and Senior Management of the Company has been laid down and posted on the website of the Company. The Compliance of the said Code of Conduct by the Directors and Senior Management Personnel for the year 2011-12 has been affirmed by the Chairman and Managing Director (CMD).

## A Declaration Signed by the Chairman and Managing Director is Given Below:

I hereby confirm that the Company has obtained from the members of the Board and Senior Management personnel their affirmation on compliance of the Code of Conduct laid down by the Company for the financial year 31<sup>st</sup> March, 2012

Place : Coimbatore  
Date : 07<sup>th</sup> August, 2012

for and on behalf of the Board  
(Sd.) **Dr. S.K. Sundaramoorthy**  
Chairman and Managing Director

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## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of LOTUS EYE CARE HOSPITAL LIMITED, Coimbatore.

We have examined the compliance of conditions of Corporate Governance by LOTUS EYE CARE HOSPITAL LIMITED for the year ended on 31.03.2012, 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.

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

Firm Registration No: 05256S  
Chartered Accountants

Place : Coimbatore  
Date : 07<sup>th</sup> August, 2012

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

Membership No. 026129





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## CEO CERTIFICATE

To

The Board of Directors,  
Lotus Eye Care Hospital 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 31<sup>st</sup> March 2012 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.

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Place : Coimbatore  
Date : 07<sup>th</sup> August, 2012

for and on behalf of the Board  
(Sd.) **Dr. S.K. Sundaramoorthy**  
Chairman and Managing Director

## AUDITORS' REPORT

### TO THE MEMBERS OF LOTUS EYE CARE HOSPITAL LIMITED

1. We have audited the attached Balance Sheet of **LOTUS EYE CARE HOSPITAL LIMITED** Coimbatore as at **31<sup>st</sup> March 2012** and the Profit and Loss Account of the Company for the year ended on that date and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, 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 accounts as required by law have been kept by the Company so far as appears from our examination of the books;
  - c) The Balance Sheet, the Profit and Loss Account and the Cash flow statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
5. On the basis of the written representations received from the Directors as on 31<sup>st</sup> March 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
6. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2012;
  - ii) in the case of the Profit and Loss Account, of the *loss* for the year ended on that date; and
  - iii) in the case of cash flow statement, of the cash flows of the company for the year ended on that date.

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

Place : Coimbatore  
Date : 07<sup>th</sup> August, 2012

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



## ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph (3) of the Auditors report of even date to the members of LOTUS EYE CARE HOSPITAL LIMITED on the financial statements for the year ended 31<sup>st</sup> March, 2012.

- (i). a) The company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets, and the updation of records are still in progress. However an item wise list of fixed assets containing the particulars for calculation of depreciation is maintained.
- b) All the assets have not been physically verified by the management during the year but there is a phased programme of verification based on the item wise list maintained for calculation of depreciation which, in our opinion, needs to be strengthened having regard to the size of the company and nature of its assets. As informed, no material discrepancies were noticed on such verification. However, in absence of complete information in fixed asset register as stated in clause (a) above, we are unable to comment on the discrepancies if any.
- c) 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, we have neither come across nor we have been informed of any major weakness in 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 given to us, and records provided to us the undisputed statutory dues including provident fund, investor education fund, income tax, sales tax, wealth tax, customs duty, cess and other material statutory dues applicable to it have generally been regularly deposited with appropriate authorities though there have been slight delay in a few cases except that **employees security deposit amounting to Rs. 20.98 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 and excise duty were in arrears as at 31.03.2012 for a period of more than six months from the date they became payable except the following.

# LOTUS EYE CARE HOSPITAL LIMITED

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

c) According to the information and explanation given to us, there are no dues of income tax, sales tax, wealth tax, service tax, customs duty and excise duty which have not been deposited on account of any dispute.

- (x). The Company has incurred a loss as on 31<sup>st</sup> March, 2012 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, 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). The company has not given any guarantees for loans taken by others from banks or financial Institutions.
- (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.
- (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 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 no fraud on or by the company has been noticed or reported during the course of our audit.

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

Place : Coimbatore  
Date : 07<sup>th</sup> August, 2012

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



# Balance Sheet as on 31<sup>st</sup> March, 2012

(₹. in Lacs)

Particulars	Note No.	As on 31.03.2012	As on 31.03.2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital			
(b) Reserves and Surplus	2	2,079.63	2,079.63
	3	3,011.46	3,236.62
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	4	26.13	9.30
(b) Deferred Tax Liabilities (Net)	5	21.69	21.03
(c) Long-Term Provisions	6	10.52	6.35
<b>(3) Current Liabilities</b>			
(a) Trade Payables	7	337.17	290.68
(b) Other Current Liabilities	8	92.26	74.09
(c) Short-Term Provisions	9	26.03	37.92
<b>TOTAL</b>		<b>5,604.89</b>	<b>5,755.63</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	10	4,770.77	4,787.39
(ii) Intangible Assets		7.24	-
(iii) Capital work in progress		-	39.46
		<b>4,778.01</b>	<b>4,826.85</b>
(b) Long term loans and advances	11	417.57	465.76
(c) Other non-current assets	12	5.85	20.10
<b>(2) Current Assets</b>			
(a) Inventories	13	210.10	166.49
(b) Trade receivables	14	38.16	42.31
(c) Cash and cash equivalents	15	20.67	83.55
(d) Short-term loans and advances	16	134.54	150.58
<b>TOTAL</b>		<b>5,604.89</b>	<b>5,755.63</b>

Significant Accounting Policies & Notes on Financial Statements 1 to 26

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 : 07<sup>th</sup> August, 2012

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 CARE HOSPITAL LIMITED

## Profit and Loss Account for the period ended 31<sup>st</sup> March, 2012 (₹. in Lacs)

Particulars	Note No.	As on 31.03.2012	As on 31.03.2011
<b>INCOME</b>			
Revenue from operations	17	2,622.58	1,914.09
Other Income	18	22.33	18.84
<b>TOTAL REVENUE</b>		<b>2,644.91</b>	<b>1,932.92</b>
<b>EXPENSES</b>			
Cost of materials consumed		350.10	177.20
Purchase of Stock-in-Trade	19	504.77	334.09
Service Expenses	20	564.13	343.55
Changes in inventories	21	(43.61)	(50.90)
Employee Benefit Expenses	22	452.17	294.63
Financial Costs	23	2.20	8.22
Depreciation and Amortization Expense	24	414.08	290.03
Other Expenses	25	639.25	468.36
<b>TOTAL EXPENSES</b>		<b>2,883.10</b>	<b>1,865.18</b>
<b>Profit / (Loss) before Tax and Exceptional item</b>		<b>(238.19)</b>	<b>67.74</b>
Add: Depreciation written back		13.69	-
<b>Profit before Tax</b>		<b>(224.50)</b>	<b>67.74</b>
Tax Expenses			
(1) Current tax (including Provisions)		-	12.59
(2) Deferred tax		0.66	11.64
<b>Profit/(Loss) for the year</b>		<b>(225.17)</b>	<b>43.51</b>
Earning per equity share:			
(1) Basic		(1.08)	0.21
(2) Diluted		(1.08)	0.21

Significant Accounting policies & Notes on Financial statements 1 to 26

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 : 07<sup>th</sup> August, 2012

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 31<sup>ST</sup> MARCH, 2012**

(₹. in lacs)

Particulars	For the year 2011-12	For the year 2010-11
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/Loss Before Tax and Extraordinary Items	(224.50)	67.74
<b>ADJUSTMENTS FOR:-</b>		
Depreciation	399.83	263.85
Income on Investments	(8.34)	(13.58)
Preliminary Expenses Written off	14.25	15.07
Interest Expenses	2.20	8.22
<b>Operating profit before working capital changes</b>	<b>183.45</b>	<b>341.30</b>
<b>ADJUSTMENTS FOR:-</b>		
(Increase) / Decrease In Sundry Debtors	4.16	(1.39)
(Increase) / Decrease In Loans and Advances	64.23	(62.92)
(Increase) / Decrease In Inventories	(43.61)	(50.90)
Increase / (Decrease) In Current Liability	57.59	709.91
Cash Generated From (Used In) Operating Activities	<b>265.82</b>	<b>936.00</b>
Tax Paid	(0.66)	(24.23)
Others (depreciation Written Back)	(13.69)	0.00
<b>Net Cash Generated from /(Used In) Operating Activity</b>	<b>251.47</b>	<b>911.76</b>
<b>B) CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Purchase of Fixed Assets	(338.16)	(760.34)
Capital WIP	0.00	(39.46)
Sales of Assets	0.86	0.00
Interest Received	8.34	13.58
<b>Net Cash Generated from (Used In ) Investing Activities</b>	<b>(328.96)</b>	<b>(786.22)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Expenses	(2.20)	(8.22)
Increase / (Decrease) In Un Secured Loan	16.83	(128.15)
<b>Net Cash From / (Used In) Financing Activities</b>	<b>14.62</b>	<b>(136.37)</b>
<b>(Increase)/Decrease In Cash and Cash Equivalents</b>	<b>(62.87)</b>	<b>(10.82)</b>
Cash and Cash Equivalents at the Beginning of the Year	83.54	94.37
<b>Cash and Cash Equivalents at the End of the Year</b>	<b>20.67</b>	<b>83.54</b>
Cash on Hand	9.01	7.70
Balance With Bank	11.66	75.85

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 : 07<sup>th</sup> August, 2012

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 CARE HOSPITAL LIMITED

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## Note: 1

### ACCOUNTING POLICIES AND NOTES TO PROFIT AND LOSS ACCOUNT AND BALANCE SHEET AS ON 31<sup>ST</sup> MARCH 2012

#### COMPANY OVERVIEW:

Lotus Eye Care Hospital Limited is providing health care services as a single speciality hospital catering eye care services which is spread over Tamil Nadu and Kerala.

#### A. 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 and its Depreciation:

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 and written off in 5 years from the Financial Year 2011-12 onwards. Depreciation charged on the Improved Leased Asset earlier has been written back.

##### Intangible Fixed Assets:

The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognized as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

##### d) Inventories

Closing stock of Pharmacy, Canteen, Theatre items, and Consumables are valued at lower of cost or 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) Cash Flow Statement

Cash Flows are reported using the indirect method, whereby profit / (Loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The Cash flows from operating, investing and financing activities of the company are segregated based on the available information.

##### f) Cash and Cash equivalents (for purpose of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with bank. Cash equivalents are short-term balances, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

##### g) 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.

**h) 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.

**i) Earnings per share**

Basic earnings per share is computed by dividing the profit / (Loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

**j) 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 charges to Profit and Loss Account

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

1) Foreign currency transactions are recorded at exchange rates prevailing on the date of such transactions.

2) Foreign currency monetary assets and liabilities at the year end are realigned to the exchange rate prevailing at the year end and the difference on realignment is adjusted in the Profit and Loss account.

3) Non-monetary foreign currency items are carried at cost.

**l) Retirement Benefits**

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

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

**m) 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.

**n) 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.

**o) 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 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 CARE HOSPITAL 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 on 31.03.2012	As on 31.03.2011
1.	<b>Authorised Capital</b>		
	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
	<b>Total</b>	<b>2,079.63</b>	<b>2,079.63</b>

- 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 on 31.03.2012		As on 31.03.2011	
		No. of shares held	% of holding	No. of shares held	% of holding
1	Dr.S.K.Sundaramoorthy	10,502,563	50.50	9,560,442	45.98
2	Ms.S.Sangeetha	223,050	1.07	1,097,400	5.28



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

Sl. No.	Particulars	Equity share As on 31.03.2012		Equity shares As on 31.03.2011	
		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 on	As on
		31.03.2012	31.03.2011
1.	Shares Premium Reserve	2,514.14	2,514.14
	Balance brought forward from previous year	722.48	678.97
	Add: Profit/(Loss) for the period	(225.17)	43.51
2	Surplus (Profit & Loss Account)	497.32	722.48
	<b>Total</b>	<b>3,011.46</b>	<b>3,236.62</b>

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

b. Utilization of Initial Public Offer (IPO) funds up to March 31st, 2012

Details	₹. In lakhs
Proceeds from issue of shares	3,800.00
Less :Expenses for issue	387.86
Add :Interest and Dividend from Temporary Investments	58.87
Net IPO Proceeds	3,471.01
Less :Funds deployed towards the project	3,416.82
Unutilized IPO funds deposited in the form of Temporary investment/Current account with bank	54.19

# LOTUS EYE CARE HOSPITAL LIMITED

## 2. Non-Current Liabilities

### Note No. 4 Long Term Borrowings

(₹. in lacs)

Sl. No.	Particulars	As on 31.03.2012	As on 31.03.2011
1.	<b>Term Loan</b>		
	- From Banks (Unsecured)		
	HDFC bank limited	-	7.35
	- From Other Parties		
	Citi corp finance limited	-	1.95
	Kotak Mahindra Prime Limited	26.13	-
	<b>Total</b>	<b>26.13</b>	<b>9.30</b>

### Note No. 5 Deferred Tax Liabilities (Net)

Sl. No.	Particulars	As on 31.03.2012	As on 31.03.2011
1.	Deferred tax liability on account of Accumalted Depreciation	21.03	9.39
	Add : Deferred tax liability created during the year	0.66	11.64
	Sub Total (A)	21.69	21.03

### Note No.6 Long Term provisions

	Provision for Grautity	10.52	6.35
	Sub Total (B)	10.52	6.35
	<b>Total (A+B)</b>	<b>58.34</b>	<b>36.68</b>

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

### Note No. 7 Trades Payable

Sl. No.	Particulars	As on 31.03.2012	As on 31.03.2011
A	- Sundry Creditors for Capital Goods	82.09	65.08
B	- Sundry Creditors for Services:		
	i) Consumables	96.58	69.81
	ii) Pharmacy	39.65	37.89
	iii) Optical Lens& Frames	88.28	80.74
	iv) Canteen	2.61	2.15
C	Others	27.96	35.02
	<b>Total</b>	<b>337.17</b>	<b>290.69</b>

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 on	As on
		31.03.2012	31.03.2011
i	Current maturities of long term debt.	16.78	8.64
ii	Accrued salaries and benefits	34.33	27.67
iii	Advance received from customers	2.92	0.41
iv	Statutory Dues	5.44	7.86
v	Other Liabilities	32.80	29.51
<b>Total</b>		<b>92.26</b>	<b>74.09</b>

- a. Other liabilities includes caution deposit collected from employees who are in service amounting to ₹. 20.98 Lakhs.

**Note No. 9 Short Term Provisions**

Sl..No	Particulars	As on	As on
		31.03.2012	31.03.2011
i.	<b>Provision for employee benefits</b>		
a.	Provision for Gratuity	4.30	4.17
b.	Provision for Compensated Leave Salary	2.17	4.51
c.	Provision for Provident fund	9.47	2.24
2	Provision for Tax (Including wealth tax)	1.00	13.56
3	Other Short term provisions	9.09	13.45
<b>Total</b>		<b>26.03</b>	<b>37.92</b>

# LOTUS EYE CARE HOSPITAL LIMITED

## Note No.10 : FIXED ASSETS

(₹. in lacs)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As on 31.03.2011	Addition During the Year	Deduction during the year	As on 31.03.2012	Addition During the year	Deduction during the year	As on 31.03.2012	WDV As on 31.3.2011
<b>Tangible Assets</b>								
Land	2,353.08	-	-	2,353.08	-	-	-	2,353.08
Buildings	1095.11	57.38	-	1152.49	49.46	-	204.87	939.70
Electrical Equipments	765.93	107.68	-	873.62	125.06	-	342.50	548.49
Plant and Machinery	193.61	5.02	-	198.62	18.25	-	83.07	128.79
Furniture & Fixtures	64.97	20.45	-	85.41	10.11	-	33.27	41.80
Hospital Equipments	1193.83	17.50	-	1211.33	631.91	-	743.09	561.92
Vehicles	40.95	68.73	3.85	105.82	14.27	-	25.34	26.67
Office Equipments	31.19	3.27	-	34.56	3.50	-	16.88	17.81
Computers	38.47	7.23	-	45.70	10.53	-	27.44	21.56
<b>Sub Total (A)</b>	<b>5,777.13</b>	<b>287.36</b>	<b>3.85</b>	<b>6,060.64</b>	<b>342.17</b>	<b>2.99</b>	<b>1,476.48</b>	<b>4,584.16</b>
<b>Intangible Assets</b>								
<b>Sub Total (B)</b>	-	7.66	-	7.66	0.43	-	0.43	7.24
<b>Capital Work in Progress</b>								
Building Under Construction	12.49	11.82	24.31	-	-	-	-	12.49
Hospital Equipments	2.15	-	2.15	-	-	-	-	2.15
Computers	-	-	-	-	-	-	-	-
<b>Sub Total (C)</b>	<b>14.64</b>	<b>11.82</b>	<b>26.46</b>	-	-	-	-	<b>14.64</b>
<b>Intangible Assets Under Development</b>								
<b>Sub Total (D)</b>	-	-	-	-	-	-	-	-
<b>Total (A+B+C+D) Current Year</b>	<b>5,791.77</b>	<b>306.84</b>	<b>30.32</b>	<b>6,068.30</b>	<b>342.59</b>	<b>2.99</b>	<b>1,476.90</b>	<b>4,591.40</b>
<b>Previous Year</b>	<b>5,138.77</b>	<b>664.44</b>	<b>26.08</b>	<b>5,777.13</b>	<b>261.84</b>	-	<b>1,137.30</b>	<b>4,657.54</b>
Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As on 31.03.2011	Addition During the Year	Deletion/ transfer during the year	As on 31.03.2012	Depreciation During the year	Depreciation Written back	Asset Written off during the year	WDV As on 31.3.2011
<b>Improved Leased Asset</b>								
Salem New Building	22.95	3.51	-	26.47	1.09	1.43	5.29	22.62
Salem Old Building	17.14	1.96	-	19.10	0.84	2.75	3.82	15.23
Kochi Building	110.53	77.12	-	187.65	8.69	9.54	37.53	109.72
Capital WIP of Kochi	24.82	-	24.82	-	-	-	-	24.82
<b>Sub Total (A)</b>	<b>175.44</b>	<b>82.60</b>	<b>24.82</b>	<b>233.23</b>	<b>10.62</b>	<b>13.69</b>	<b>46.61</b>	<b>172.38</b>
<b>Previous Year</b>	<b>37.03</b>	<b>135.35</b>	-	<b>172.38</b>	<b>2.01</b>	-	<b>3.07</b>	<b>35.97</b>
<b>Grand Total Current Year</b>	<b>5,967.22</b>	<b>389.44</b>	<b>55.13</b>	<b>6,301.53</b>	<b>353.21</b>	<b>16.68</b>	<b>1,523.52</b>	<b>4,826.85</b>
<b>Grand Total Previous Year</b>	<b>5,175.80</b>	<b>799.79</b>	<b>26.08</b>	<b>5,949.51</b>	<b>265.85</b>	-	<b>1,140.37</b>	<b>4,826.85</b>

Note : The Total Depreciation of ₹ 353.22 Lacs Charged in the Profit and Loss Account include ₹ 10.62 Lacs Relating to the Improved Leased asset Which has been Written back of ₹ 13.69 Lacs.

**Note No. 11 Long Term Loans and Advances**

(₹. in lacs)

Sl. No.	Particulars	As on 31.03.2012	As on 31.03.2011
1.	Capital Advances	273.45	322.00
2.	Security Deposit Electricity & Other Deposit	32.15	31.79
3.	Other Loans and advances Rent Deposits	111.97	111.97
	<b>Total</b>	<b>417.57</b>	<b>465.76</b>

**Note No. 12 Other Non Current Assets**

Sl. No.	Particulars	As on 31.03.2012	As on 31.03.2011
i.	Others (Miscellaneous expenditure)	5.85	20.10
	<b>Total</b>	<b>5.85</b>	<b>20.10</b>

**Note No. 13 Inventories**

Sl. No.	Particulars	As on 31.03.2012	As on 31.03.2011
1	Pharmacy	25.16	15.27
2	Canteen	0.44	0.46
3	Consumables	52.49	39.46
4	Optical Frames	121.06	100.90
5	Contact lens	10.95	10.41
	<b>Total</b>	<b>210.10</b>	<b>166.50</b>

a. The closing stock of Pharmacy, Canteen, Theatre items, and Consumables are valued at Lower of cost or 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 on 31.03.2012	As on 31.03.2011
1	<b>Outstanding for more than six months</b>		
	a) Unsecured, Considered Good	5.60	4.41
2	<b>Other receivables</b>		
	a) Unsecured, Considered Good	32.55	37.90
	<b>Total</b>	<b>38.15</b>	<b>42.31</b>

# LOTUS EYE CARE HOSPITAL LIMITED

## Note No. 15 Cash & Cash Equivalent

(₹. in lacs)

Sl. No.	Particulars	As on 31.03.2012	As on 31.03.2011
a)	Cash and cheques on hand	9.01	7.70
b)	Balance with Banks		
	In Current Accounts	(98.29)	(68.05)
	In Deposit Accounts	109.95	143.90
	<b>Total</b>	<b>20.67</b>	<b>83.55</b>
	<b>Current account includes</b>		
i)	Public issue refund account	0.26	0.26
ii)	Public issue current account	2.91	3.27
	<b>Deposit account includes</b>		
i)	Bank Guarantee Deposit	23.26	21.93

- Out of Public issue, Refund amounting to ₹. 0.26 lakhs has been kept in a separate bank account (Axis Bank Ltd)
- Deposit account includes unutilized IPO funds amounting to ₹. 50.92 lakhs deposited in the form of temporary investment
- Amount deposited ₹. 23.26 lakhs in the form of FD in Indusind Bank Coimbatore, against Bank guarantee to Bombay stock exchange

## Note No. 16 Short Term Loans and Advances

Sl. No.	Particulars	As on 31.03.2012	As on 31.03.2011
a)	Advance for expenses	102.42	126.64
b)	Prepaid expenses	32.12	23.94
	<b>Total</b>	<b>134.54</b>	<b>150.58</b>

## Note No. 17 Revenue from Operations

Sl. No.	Particulars	As on 31.03.2012	As on 31.03.2011
1	Income From Medical Services	1,608.97	1,236.84
2	Income from Other utilities	38.26	33.68
3	Pharmacy Sales	219.32	109.39
4	Contact Lens & Opticals	756.02	534.18
	<b>Total</b>	<b>2,622.57</b>	<b>1,914.09</b>



**Note No. 18 Other Income**

(₹. in lacs)

Sl. No.	Particulars	As on 31.03.2012	As on 31.03.2011
1	Interest on FDR's	8.34	13.58
2	Other Receipts	14.00	5.26
	<b>Total</b>	<b>22.34</b>	<b>18.84</b>

**Note No. 19 Stock in Trade**

Sl. No.	Particulars	As on 31.03.2012	As on 31.03.2011
1	Pharmacy Purchase	163.95	90.49
2	Purchase of Contact Lens & Opticals	310.70	216.08
3	Canteen & Utility Purchase	30.12	27.52
	<b>Total</b>	<b>504.77</b>	<b>334.09</b>

**Note No. 20 Service Expenses**

Sl. No.	Particulars	As on 31.03.2012	As on 31.03.2011
1	Professional charges to Doctors	492.58	290.37
2	Power & Fuel	71.54	53.18
	<b>Total</b>	<b>564.12</b>	<b>343.55</b>

**Note No. 21 Changes in Inventories**

Sl. No.	Particulars	As on 31.03.2012	As on 31.03.2011
1	Opening Stock	166.49	115.59
2	Closing Stock	210.10	166.49
	<b>(Increase)/Decrease in Inventories</b>	<b>(43.61)</b>	<b>(50.90)</b>

**Note No. 22 Employment Benefit Expenses**

Sl. No.	Particulars	As on 31.03.2012	As on 31.03.2011
1	Salaries & Bonus	394.67	262.54
2	Contribution to Provident and other Funds	27.89	7.98
3	Staff Welfare Expenses	11.61	6.10
4	Directors Remuneration	18.00	18.00
	<b>Total</b>	<b>452.17</b>	<b>294.62</b>

# LOTUS EYE CARE HOSPITAL LIMITED

## Note No. 23 Financial Cost

(₹. in lacs)

Sl. No.	Particulars	As on 31.03.2012	As on 31.03.2011
1	Interest on Cash Credit Facility	0.40	0.10
2	Interest on Term loan	1.81	8.12
	<b>Total</b>	<b>2.21</b>	<b>8.22</b>

## Note No. 24 Depreciation & Amortised Cost

Sl. No.	Particulars	As on 31.03.2012	As on 31.03.2011
1	Depreciation	353.22	263.85
2	Preliminary Expenses W/O	14.25	26.19
3	Improved Leased assets Written off	46.61	-
	<b>Total</b>	<b>414.08</b>	<b>290.04</b>

## Note No. 25 Other Expenses

Sl. No.	Particulars	As on 31.03.2012	As on 31.03.2011
1	Hospital Upkeep Expenses	17.67	10.35
2	Advertisement & Publicity	152.59	88.97
3	Auditors Remuneration	2.21	1.65
4	Bank Charges	2.67	2.15
5	Board and AGM Meeting Expenses	4.99	4.12
6	Camp Expenses	1.21	-
7	Directors Sitting Fees	1.10	1.45
8	Donation	1.32	0.67
9	Insurance Expenses	3.59	3.20
10	Interest on TDS	0.32	1.55
11	License & taxes	12.72	14.31
12	Marketing, Conference expenses	11.45	7.89
13	Postage & Telegram	2.62	1.90
14	Printing & Stationery Expenses	26.45	21.04
15	Professional & Recommendation Charges	11.94	9.06
16	Rent	194.59	134.95
17	Sales Tax	37.71	23.04
18	Security Expenses	16.52	12.53
19	Sundry balance written off	0.36	-
20	Telephone Expenses	10.94	6.73
21	Travelling Expenses	4.26	6.80
22	Water Charges	9.58	7.99
23	Zyoptix Supracor Inauguration Expenses	1.29	-
24	Prior Period Expenses	24.35	30.11
25	Repairs & Maintenance - Building	1.80	6.86
26	Repairs & Maintenance - Equipment	62.25	43.78
27	Repairs & Maintenance - Electrical	4.92	4.27
28	Repairs & Maintenance - Vehicle	9.19	7.77
29	Repairs & Maintenance - Others	3.36	3.60
30	Other Administrative Expenses	5.29	11.63
	<b>Total</b>	<b>639.26</b>	<b>468.37</b>

**Auditors Remuneration**

(₹. in lacs)

Sl. No.	Particulars	As on 31.03.2012	As on 31.03.2011
1	For Statutory Audit	1.50	1.20
2	For Taxation	0.50	0.30
3	For Service Tax	0.21	0.15
	<b>Total</b>	<b>2.21</b>	<b>1.65</b>

**Prior Period Expenses**

Sl. No.	Particulars	As on 31.03.2012	As on 31.03.2011
1	Personnel cost	0.15	17.21
2	Professional charges	0.62	0.08
3	Boarding & Travelling expenses	0.25	0.26
4	Selling expenses	0.43	0.33
5	Service expenses	18.50	1.72
6	Repairs & Maintenance	3.75	7.47
7	Licence & taxes	-	2.50
8	Other administrative expenses	0.66	0.54
	<b>TOTAL</b>	<b>24.36</b>	<b>30.11</b>

**General Notes:**

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

	31.03.2012	31.03.2011
Profit/(Loss) after tax	(225.17)	43.51
Number of shares issued	20796330	20796330
The Nominal value per equity share (₹.)	10	10
Basic/Diluted EPS	(1.08)	0.21

2. During the year ended 31.03.2012, the revised schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. The company has also reclassified the previous year figure in accordance with the requirement applicable in the current year.

3. Sundry balance written back during the year amounting to ₹. 3.70 Lakhs and credited to the profit and loss account.

## 4. Related party disclosure :

List of related parties as identified by the management as under

(1) 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

# LOTUS EYE CARE HOSPITAL LIMITED

## (II).Related party transaction in 2011-12

The company has identified all related parties and details of transactions are given below. No provision for doubtful debts or advances 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 related parties.

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	20.62	-	20.62
Others	2.53	-	2.53
Cheque received	70.58	-	70.58

Advance paid to one of the key management personnel Dr.S.K.Sundaramoorthy amounting to ₹.68.05 lakhs for purchase of land at Avinashi road, Coimbatore was returned during the year.

Remuneration paid to Managing / Whole time Director during the year 2011-12

Remuneration	₹.18.00 Lakhs
House Rent	₹. 2.62 Lakhs

### 5. 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.

### 6. No dividend is recommended for the financial year 2011-12.

7. Leave encashment benefits have been provided as per the rules of the company and on actuarial valuation. No separate fund has been created. Amount charged to profit and loss account during the year is ₹.4.55 Lakhs.

8. Amount of contribution to employees provident fund during the year is ₹.14.50 Lakhs (previous year ₹.7.21 Lakhs).

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

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

### 11. Segment Reporting :

Based on the guiding principle 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.

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

13. There is no contingent liability as on 31.03.2012

14. Provision for all known liabilities including depreciation is neither inadequate nor more than what is necessary.

15. Expenditure on Foreign exchange During the year ₹. 12.56 Lakhs

i. CIF value of imports	
a. Capital goods	₹.10.30 Lakhs
b. Consumable and spares	₹. 2.26 Lakhs
ii. Earnings in foreign currency	NIL
iii. Expenditure in foreign currency	NIL
iv. Dividend paid in foreign currency	NIL

16. Out of Public issue an amount of ₹.210 Lakhs paid towards advance for purchase of land at Karur project was returned by the party amounting to ₹.50 lakhs and the same amount has been deposited in the form of fixed deposit in Indian Overseas Bank Coimbatore.

17. During the year advance paid amounting to ₹.35 lakhs out of public issue for purchase of land at Salem project. The same amount was received back by the company in subsequent months due to non execution of agreement.

18. Events occurring after balance sheet date :

The company received the notice under section 7A of the Employees Provident Fund and Miscellaneous Provisions Act 1952, from the Assistant Commissioner of Provident Fund, Coimbatore for ₹.8.10 Lakhs as Provident Fund liability and the same has been provided and paid.

19. 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:

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

	31.03.2012	31.03.2011
Present value of the obligation as at the beginning of the period	1052083	635474
Interest cost	79958	47025
Current service cost	488331	244698
Past service cost – (non vested benefits)	-	-
Past service cost – (vested benefits)	-	393
Benefits paid	-	-
Actuarial loss/(gain) on obligation (balancing figure)	-137800	124493
PVO as at the end of the period	1482572	1052083

**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	-	-

# LOTUS EYE CARE HOSPITAL LIMITED

## 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	137800	-124493
Actuarial gain / (loss) for the period – Plan Assets	-	-
Total (gain) / loss for the period	-137800	124493
Actuarial (gain) / loss recognized in the period	-137800	124493
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	1482572	1052083
Fair value of plan assets	-	-
Difference	1482572	1052083
Unrecognized transitional liability	-	-
Unrecognized past service cost – non vested benefits	-	-
Liability recognized in the balance sheet	1482572	1052083

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

Current service cost	488331	244698
Interest cost	79958	47025
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognized in the year	-137800	124493
Transitional liability recognized in the year	-	-
Past service cost – non vested benefits	-	-
Past service cost – vested benefits	-	393
Expenses recognized in the statement of profit and loss	430489	416609

## G. Movements in the liability recognized in the balance sheet

Opening net liability	1052083	635474
Expenses as above	430489	416609
Contribution paid	-	-
Closing net liability	1482572	1052083

## H. Amount for the current period

Present value of obligation	1482572	1052083
Plan assets	-	-
Surplus (Deficit)	-1482572	-1052083
Experience adjustments on plan liabilities – (loss)/gain	55150	-136318

## I. Principal Actuarial assumptions(Expressed as weighted averages)

Discount rate	8.60%	7.60%
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%
<b>Total</b>	<b>0.00%</b>	<b>0.00%</b>

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.

1. The opinion of the Board is that the current assets, loans and advances will fetch the amounts stated if realized in the ordinary course of business.
  - a) The company has not given any guarantee on behalf of the directors or other officers
  - b) i) a) Amounts due at the end of the year from Private companies in which one of the directors is a director is ₹.Nil (Previous year ₹. Nil)  
b) Amounts due at the end of the year from the trust in which one of the directors is a trustee is ₹.Nil (Previous year ₹.Nil)
  - ii) Maximum amount due from Dr.S.K.Sundaramoorthy at any time during the year is ₹.Nil
  - iii) Maximum amount due from Lotus Vision Research Trust at any time during the year ₹.Nil.

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 : 07<sup>th</sup> August, 2012

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 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 at **Monday, 24<sup>th</sup> September, 2012 at 03.00 P.M.**  
at **Kasthuri Srinivasan Trust, "Culture Centre", 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 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  
**Monday, 24<sup>th</sup> September, 2012 at 03.00 P.M.** and at any adjournment thereof in favour/against of the resolutions

Signed this ..... day of ..... 2012

Registered Folio No.: .....

No. of Shares held: .....

Signature .....

Re. 1
Revenue
Stamp

**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.**





*If undelivered, please return to:*

Registrars & Share Transfer Agents

**M/s. SKDC Consultants Ltd.,**

Kanapathy Towers, 3rd Floor

1391/A-1, Sathy Road, Ganapathy

Coimbatore - 641 006.

Ph: 0422 - 6549995, 2539835, 2539836