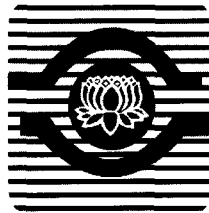


**15<sup>th</sup> Annual Report**  
**2011 - 12**



**LOTUS EYE CARE HOSPITAL LIMITED**

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

# CONTENTS

## PAGE NO.

Notice to the Members	2
Directors' Report and Management Discussion & Analysis	5
Auditors' Certificate	14
CEO Certificate	15
Auditors' Report	16
Annexure to the Auditors' Report	17
Balance Sheet	19
Profit and Loss Account	20
Cash Flow Statement	21
Notes	22



## *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> (Alternate Director Mr. P.K. Venkatachalam)
	-	<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. V E K A M A N D A S S O C I A T E S</b> Chartered Accountants Coimbatore-641 012
<b>Bankers</b>	-	<b>Indian Overseas Bank, Ganapathy</b> Coimbatore <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 perquisites specified in Part III , Sub-Clause (2) above, are not availed in full, the unutilized portion of the limit shall be either carried over till the end of the term or encashed at the end of every year.

**Category "B"**

Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites 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.

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 Mettuppalayam 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.