

# LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

## Annexure-V to Boards' Report

### REPORT ON CORPORATE GOVERNANCE

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

#### Introduction

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

#### Date of Report

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

#### 1. The Company's philosophy on Corporate Governance

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

#### 2. Board of Directors

##### Composition

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

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



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

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

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

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

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

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

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

#### Meetings

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

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

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

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

#### Familiarisation Programme

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

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### 3. Audit Committee

#### Terms of Reference

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

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

#### Composition & Meetings:

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

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

Composition of Audit Committee is as follows:

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

### 4. Nomination and Remuneration Committee

#### Terms of Reference

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

The broad terms of reference of the Committee includes:

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- Recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees of the Company;
- Identify persons who are qualified to become directors and who may be appointed in senior management;
- Evaluation of performance of all Directors.

#### Composition & Meetings:

The Committee met once during the year on 30<sup>th</sup> May, 2015.

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

Composition of Nomination and Remuneration Committee is as follows :

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

### Performance Evaluation Criteria for Independent Directors

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

### 5. Remuneration Policy

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

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

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

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

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

### 6. Stakeholders Relationship Committee

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

There was no meeting held during the year under review.

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

Company Secretary of the Company is the Compliance officer. Details of the same can be found on the website of the company at the following link : [http://www.lotuseye.com/Investors\\_Grievances.php](http://www.lotuseye.com/Investors_Grievances.php)

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

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### 7. Annual General Meeting

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

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

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

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

### 8. Means of Communication

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

### 9. General Shareholders Information

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



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

**j) Market Price Data:**

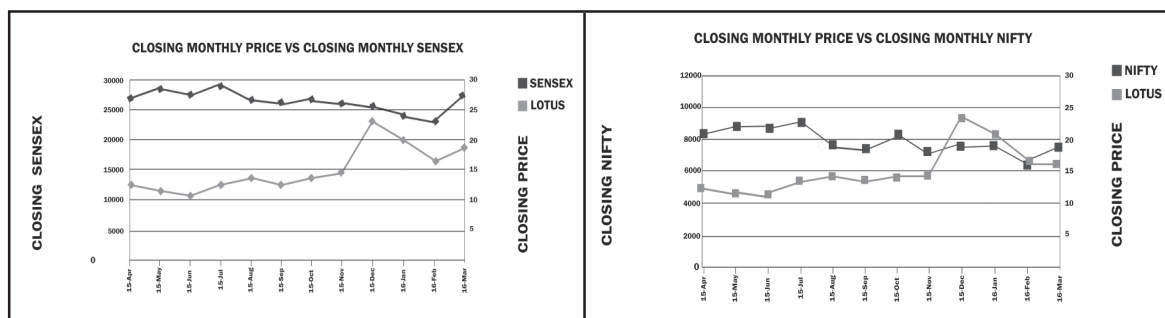
Monthly High & Low Prices of shares traded on BSE & NSE for the period from April 2014 to March 2015 (Shares listed on 11.07.2008)

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

## LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

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

#### CLOSING MONTHLY PRICE VS CLOSING MONTHLY SENSEX AND NIFTY



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

### m) Share Transfer System

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

### n) Category of Shareholder & Distribution of Shareholding

#### i) Categories of Shareholders as on 31.03.2016

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



**ii) Distribution of Shareholding as on 31.03.2016**

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

**o) Dematerialization of Shares:**

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

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

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

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

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

**10. Other Disclosures:**

**a) Related Party Transactions**

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

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

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

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

**b) Compliance by the Company**

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

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



## LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

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

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

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

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

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

**e) Accounting Treatment**

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

**f) Risk Management**

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

**g) Insider Trading Policy**

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

**h) CEO / CFO Certification**

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

**i) Code of Conduct**

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

**j) Compliance with Corporate Governance Norms**

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

**k) Management**

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

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

To

The Members of Lotus Eye Hospital and Institute Limited

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

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For and on behalf of the Board

Place : Coimbatore

Date : 30<sup>th</sup> May, 2016

(Sd.) S.K. Sundaramoorthy

Chairman cum Managing Director



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## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

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

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

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

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

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

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

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

Place : Coimbatore  
Date : 30<sup>th</sup> May, 2016

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

# LOTUS EYE HOSPITAL AND INSTITUTE LIMITED

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## CEO / CFO CERTIFICATION

To

The Board of Directors  
Lotus Eye Hospital and Institute Limited

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

We hereby certify that:

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

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For and on behalf of the Board

Place : Coimbatore  
Date : 30<sup>th</sup> May, 2016

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

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