



2016-2017
78th Annual Report



"Striding Towards a New Future"

Corporate Directory



BOARD OF DIRECTORS

Dr. Shashi Chand Jain
Chairman Emeritus

Shri. Pramod Kumar Jain
Chairman and Managing Director

Shri. Bakul Jain
Managing Director

Shri. Vivek Jain
Managing Director

Shri Mudit Jain
Managing Director

Shri Sodhsal Sing Dev of Dhrangadhra
Ms. Sujata Rangnekar
Shri D. Ganapathy
Shri Salil Kapoor

BANKERS

Punjab National Bank
State Bank of India
City Union Bank Ltd.

AUDITORS

V. Sankar Aiyar & Co.,
Chartered Accountants, Mumbai.

REGISTERED OFFICE

Dhrangadhra – 363 315, Gujarat.

HEAD OFFICE

“Nirmal” 3rd Floor,
Nariman Point,
Mumbai – 400 021.

BRANCH OFFICE

Indra Palace, 1st Floor,
H-Block, Connaught Circus,
New Delhi - 110 001.

WORKS

- | | |
|------------------------------|--|
| Soda Ash Division | : Dhrangadhra – 363 315,
Gujarat. |
| Caustic Soda Division | : Arumuganeri P.O.,
Sahupuram – 628 202,
Tamil Nadu. |
| PVC Division | : Arumuganeri P.O.,
Sahupuram – 628 202,
Tamil Nadu. |
| Salt Works | : Kuda, Gujarat.
: Arumuganeri P.O.,
Sahupuram – 628 202,
Tamil Nadu. |

78th

Annual Report
2016 – 2017

Directors' Report

TO THE MEMBERS

Your Directors present their 78th Annual Report and Audited Financial Statements for the Financial Year ended 31st March, 2017 -

1. Financial Results

	31-03-2017 (Rs. in lakhs)	31-3-2016 (Rs. in lakhs)
Gross Sales	1,30,491.45	1,39,879.50
Gross Profit	9,294.21	9,574.75
Less : Provisions		
Depreciation	6,792.91	6,897.42
Profit Before Tax/(Loss)	2,501.30	2,677.33
Tax: Current Period	485.00	650.00
Previous Period	15.00	-
MAT Credit available for set off / Utilized	(475.00)	(617.00)
	25.00	33.00
Profit/(Loss)After Current Tax & Tax Adjustments	2,476.30	2,644.33
Deferred Tax	461.57	932.24
Profit after Tax/(Loss)	2,014.73	1,712.09
Add: Balance brought forward	13,671.41	11,959.32
Profit available for Appropriation	15,686.14	13,671.41
Appropriations:		
General Reserves	-	-
Proposed Dividend	-	-
Dividend Distribution Tax	-	-
Balance carried forward	15,686.13	13,671.41

2. Dividend:

Due to lower profits on the operations of the company, during the year and to conserve cash required for the operations of the company your Directors have not recommended any dividend for the year on the equity shares of the Company.

3. Operations:

The sales for the year are Rs.1304.91 crores compared to Rs. 1398.80 crores in the previous year. The profit for the year (before depreciation) was Rs.92.94 crores against a profit of Rs. 95.75 crores in the previous year. The profit before tax amounted to Rs.25.01 crores as against profit of Rs. 26.77 crores in the previous year. The profit after provision of current tax / taxes for the year is Rs.24.76 crores against a profit of Rs.26.44 crores of the previous year and profit after deferred tax was Rs. 20.15 crores against profit of Rs.17.12 crores for previous year.

4. Exports:

The Company's exports were of **Rs.165.98** crores as compared to **Rs 177.53** crores in the previous year.

5.1 Division wise Performance :

a) PVC Division:

The turnover of the division was Rs.658.17 crores as compared to Rs.648.93 crores in the previous year. The demand for PVC continues to show positive growth. The Government has identified irrigation, power and infrastructure, as thrust areas and increased activity in these sectors are likely to boost demand for PVC Resin.

b) Caustic Soda Division:

The turnover of the division was Rs. 413.92 crores as compared to Rs.508.68 crores in the previous year, a reduction of 18.62%. The decrease in turnover of the division is mainly on account of shortage of water due to near draught condition in Tamilnadu and strike of workers lasting about 18 days in Sahupuram Works during the year.

c) Soda Ash Division:

The turnover of the division was Rs. 193.66 crores as compared to Rs.217.77 crores of the previous year, a reduction of 11.07%. The decrease in Turnover was due to shut down of the plant for more than one month for repairs and maintenance during the year. The working of this division is stable and the demand in this segment is consistent. Also looking to the demand and supply position in coming years and no major new capacities coming up in near future the working of this division is expected to be stable.

5.2 There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2016-17 and the date of this Report.

5.3 DCW Pigments Limited ceased to be a Subsidiary /Associate Company of the Company during the year.

6. PROJECTS IMPLEMENTED

Chlorinated Poly Vinyl Chloride (C-PVC) Project.

The Company's Chlorinated Poly Vinyl Chloride (C-PVC) Plant at its Sahupuram Facility in Tamilnadu set up with Technology from Arkema of France had commissioned during the year and has since stabilized. Your company is the first to manufacture C-PVC in India and this being import substitute will help the country save on valuable foreign exchange.

7. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

7.1 Industry Structure and Developments

7.1.1 Caustic Soda is an Alkaline used in sectors like soaps, detergents, paper and chemicals (alumina sector). The demand for Caustic Soda is driven by the upturn in the production growth in these sectors. The installed capacity of caustic soda is about 28.60 lakhs tonnes out of which 50% of the capacities are in Western part of India, 25% in Southern India.

7.1.2 Soda Ash is mainly used in industries such as Detergents, Dye intermediaries, Sodium Silicate, Ore refining, Glass industry, Pesticides, Paper, Pharmaceuticals and Mining industries. Sodium Bi-carbonate which is manufactured by Soda Ash industries is being used in bakeries and also by chemical and pharmaceutical industries. The total installed capacity in soda ash industry is 33.61 lakh MT. All these capacities are concentrated in Western part of India due to availability of required raw materials i.e. salt, lime stone and coal/lignite. The demand for soda ash is increasing by 5% annually mainly due to demand from detergent and glass sector. India is exporting soda ash to South East Asian countries.

7.1.3 PolyVinyl Chloride (PVC)

Poly Vinyl Chloride (PVC) is the most commonly used thermoplastic. PVC is produced from Vinyl Chloride Monomer (VCM), which is obtained from Ethylene Dichloride (EDC), a derivative of ethylene and chlorine. PVC is used in a variety of items, such as pipes and fittings, wires and cables, calendared sheets, blow molded bottles, profiles, footwear, roofing, automotive parts, table cloths, shower curtains and furniture. In India the per capita consumption of PVC is significantly less as compared with developed countries.

Total domestic installed capacity of PVC industry is 1.35 Mill.TPA, The domestic demand of PVC is about 2.65 Mill. TPA. The shortfall of 1.3 Mill.TPA in supply is met by imports. The market for PVC is expanding by 5 to 6% p.a. and hence there is scope for increasing capacities.

7.2 Opportunities and Threats

The domestic demand for all the products manufactured by the Company is growing which gives opportunity to expand its production capacities and take benefit of the expanding market. Company's Caustic Soda, Synthetic Rutile and PVC Units are near to Tuticorin Port in Tamilnadu and this gives

opportunity to the Company to easily export its products. Company has opportunity to go for backward/forward integration in the products it manufactures which can make the Company more competitive.

The low cost imports coming in to the country can be a threat in future. However, Company's efforts over the years have made it a low cost producer and hence the Company is capable of facing international competition.

7.3 Segment-wise or product-wise performance.

7.3.1 Caustic Soda Division:

The Company continues to be a major player in South India with a market share of approximately 20%. The demand for caustic soda is expected to grow at a steady rate, due to increased demand from alumina manufacturers. The Company has captive use of HCL & Chlorine which helps to maintain Caustic Production at full level.

7.3.2 Soda Ash Division:

The Soda Ash Industry continues to grow at a compounded rate of 4% - 5% per annum and this trend is expected to continue. Antidumping duty imposed on import of Soda Ash from countries of Iran, Pakistan, China, Ukraine, Kenya, Turkey, Russia, European Union and the US by Govt. of India will protect the industry against dumping of Soda Ash from these countries.

7.3.3 PVC Division:

The Company, one of the country's five producers of PVC resin, has maintained its market share of nearly 7%. Anti-dumping duty imposed on PVC resin imports from China, USA, Mexico, European Union, Indonesia will protect the domestic industry against dumping of PVC resin from these countries. Automation cum De-bottlenecking program implemented in this unit will help the Company in reducing cost and increasing production of this division.

7.3.4 Synthetic Iron Oxide Pigment Division:

With starting of Synthetics Iron Oxide Pigment (SIOP) Division, the company entered into speciality chemical business. The plant was under stabilisation stage and has since started production. This plant has been established with company's patented technology and technological help from Huntsman pigments (formerly Rockwood Pigments). This plant will consume leach liquor generated from Synthetic Rutile plant and will help in reducing pollution. This division once fully operational will give more stability to the bottom line.

7.3.5 C-PVC:

The new C-PVC Plant which was commissioned and has since stabilized is a speciality chemical and your company is first in India to manufacture C-PVC domestically. At present entire C-PVC demand is being met by way of imports. This plant will help the country to conserve foreign exchange and also will help the country to move towards Make in India. This product being speciality chemical it needs to pass acceptability tests by the user industry. The product has since stabilized and company will be able to achieve full production in this plant by second half of the year.

7.4 Outlook:

The Company has diversified operations with three major business segments viz. PVC, Chlor Alkali and Soda Ash. It is thus reasonably protected from the vagaries of individual business cycles of these products. By the commencement of commercial production at company's new Synthetic Iron Oxide Pigment plant, company has entered into speciality chemical segment and this will give more stability to the bottom line of the company.

7.5 Risks and concerns

The Company's performance depends upon number of factors viz., fluctuations in the exchange rates of

Rupee with major International currencies, change in raw-material prices, change in duty structure on the raw materials imported and Company's various products, change in Government policies in the sectors in which company operates etc.

7.6 Internal Control Systems and their adequacy

Company has adequate internal control system commensurating with the nature of its business and size of its operations. Internal Audit is conducted on a regular basis by a reputed firm of Chartered Accountants.

The reports of the internal audit along with comments from the management are placed for review before Audit Committee

7.7 Financial Performance with respect to Operational Performance

The Gross Revenue of the Company for the year was Rs.1,304.91 crores against the gross revenue of Rs.1,398.79 crores of the previous year. The Profit Before Tax was Rs.25.01 crores compared to Rs.26.77 crores of the previous year. Water shortage at Sahupuram Works due to near draught condition in Tamilnadu, workers strike in Sahupuram Works lasting about 18 days and shut down of Soda Ash Plant at Dhrangadhra, Gujarat for a period of about one month for repairs and maintenance during the year has caused decrease in revenue and profitability of the Company.

7.8 Material Developments in Human Resources/Industrial Relation front, including number of people employed.

Company continuous to give utmost importance to human resources development and keeps relations cordial. However there was strike at Sahupuram Works, Tamilnadu by workers lasting about 18 days during the year relating to wage settlement which was finally amicably resolved. Number of permanent employees have been mentioned hereinafter.

7.9 Cautionary Note:

Statement in this report describing the company's objectives, projections, estimates, expectation and prediction may be "forward looking statements". Actual results could differ materially from those expressed or implied due to variations in prices of raw materials and realization of finished goods, changes in government regulation, tax regimes, economic developments and other incidental factors

8. Directors & Key Managerial Personnel

A. Retirement by rotation

In accordance with the provisions of Section 152 (6) of the Companies Act, 2013 Mr. Vivek Jain (DIN No.00502027) retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer himself for re-appointment. The Board recommends his re-appointment

B. Appointment of Independent Directors

With coming into force of the Companies Act, 2013 all the existing Independent Directors viz., Shri Sodhsal Singh Dev of Dhrangadhra (DIN No.00682550), Smt. Sujata Rangenekar (DIN No.06425371), Shri D. Ganapathy (DIN No.02707898) and Shri Salil Kapoor (DIN No.02256540) were appointed as Independent Directors by the members of the Company at the Annual General Meeting held on 13th August, 2014 under Section 149 and other applicable provisions of the Companies Act, 2013 for a term of 5 consecutive years upto the conclusion of the 80th Annual General Meeting in the calendar year 2019.

The Independent Directors have submitted the declaration of Independence, as required pursuant to Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in sub-section (6) and there has been no change in the circumstances which may affect their status as independent director during the year.

C. Performance Evaluation -

In compliance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Performance evaluation of the Board was carried out during the year under review and a structured questionnaire was prepared covering various aspects of the Board's

functioning such as participation, adequate preparation, contribution to strategy and other areas, quality of decision making, high quality of debate with robust and probing discussions etc. The Nomination and Remuneration Committee evaluated the performance of the Directors. Independent Directors at a separate meeting held by them have evaluated the performance of the non-Independent Directors, Board of Directors as a whole and also evaluated the performance of the chairman taking into consideration the views of Managing Directors and Non-Executive Directors. The Independent Directors in the said meeting also assessed the quality, quantity and timeliness of flow of information between the management of the Company and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties. The Board of Directors have also evaluated its own performance and that of its Committees and individual Directors.

Mr P.K. Jain, Chairman & Managing Director, Mr Bakul Jain, Mr Mudit Jain, Mr Vivek Jain, Managing Directors and Mr Vimal Jain, Chief Financial Officer and Ms. Jigna Karnick, Company Secretary are Key Managerial Personnel under Section 203 of the Companies Act, 2013.

9. Particulars of employees

9.1 The information required under Section 197 of the Companies Act, 2013 and Rule 5 (2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report as **Annexure 'A'**.

9.2 The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;

Managing Directors	Ratio to median remuneration
Shri P.K. Jain	32.34
Shri Bakul Jain	32.34
Shri Mudit Jain	32.34
Shri Vivek Jain	32.34

For this purpose, sitting fees paid to the Directors have not been considered as remuneration

- b. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial Year.

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial Year
Shri P. K. Jain - Chairman & Managing Director	0.41 %
Shri Bakul Jain - Managing Director	0.41 %
Shri Mudit Jain - Managing Director	0.41 %
Shri Vivek Jain - Managing Director	0.41 %
Shri Vimal Jain - Chief Financial Officer	8.95 %
Ms. Jigna Karnick - Company Secretary	10.04 %

- c. The percentage increase in the median remuneration of employees in the financial year : 23%
- d. The number of permanent employees on the rolls of Company : 1850
- e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average increase in remuneration is 23% for employees other than Managerial Personnel and there was **0.41%** increase in the Managerial remuneration.

- f. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirm that remuneration is as per the remuneration policy of the Company.

10. Statutory Auditors

M/s. V. Sankar Aiyar & Co., Chartered Accountants, Statutory Auditors of the Company will hold office until the conclusion of the ensuing Annual General Meeting. In terms of provisions of Section 139(2) of the Companies Act, 2013, M/s V.Sankar Aiyar & Co. ceases to be the Statutory Auditors on the conclusion of the forthcoming Annual General Meeting. M/s V.Sankar Aiyar & Co. has been associated with the Company for more than 7 decades and the Board has put on record their appreciation for the valuable service rendered by them during their long tenure.

M/s. Chhajed & Doshi is a well known, 54 years old, Chartered Accountants Firm. This Firm was established in 1964 by late Shri S.P.Chhajed who was President of Institute of Chartered Accountants of India. M/s Chhajed & Doshi has furnished certificate of their eligibility and given their consent under Section 141 of the Companies Act, 2013 and the Rules made thereunder. M/s. Chhajed & Doshi have also confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI and have submitted copy of the Certificate dated 11th January 2017.

The members are requested to appoint M/s. Chhajed & Doshi, Chartered Accountants as Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the 83rd Annual General Meeting on the terms and conditions as will be stated in the notice convening the forthcoming Annual General Meeting.

The Auditors' Report to the Shareholders for the year under review does not contain any qualification.

The Report given by the Statutory Auditors for the financial Statements for the year ended 31st March, 2017 read with explanatory notes thereon do not call for any explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

11. Cost Auditor And Cost Audit Report

Pursuant to Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Amendment Rules 2014 the Board of Directors on the recommendation of the Audit Committee appointed M/s. N.D. Birla & Co., Ahmedabad and M/s. R. Nanabhoy & Co., Mumbai for conducting cost audit of the company's Soda Ash and Caustic Soda divisions respectively for the financial year 2016-17.

They have conducted Cost Audit for the financial year 2016-17 of the respective divisions and will be filing Cost Audit Report with the Central Govt. The remuneration payable to Cost Auditors is required to be determined by the Shareholders at the Annual General Meeting. They have also been appointed to do the cost audit of the said respective divisions for the year 2017-18:

12. Secretarial Auditor and Secretarial Audit Report.

M/s. S. K. Jain & Co., (Proprietor Dr. S. K. Jain) Practicing Company Secretary was appointed to conduct Secretarial Audit of the Company for financial year 2016-17 as required under section 204 of the Companies Act, 2013 and the rules thereunder. The Secretarial Audit report for financial year 2016-17 forms part of the annual report as "**Annexure B**" to the Boards Report. The said report does not contain any observation or qualification requiring explanation or comments from the Board under Section 134 (3) of the Companies Act, 2013.

13. Conservation of Energy, Technology and Foreign Exchange.

Information on conservation of energy, technology absorption, foreign exchange earnings and out go, required to be given pursuant to provision of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 is annexed here to marked "**Annexure C**" and forms part of this report.

14. Extract of the Annual Return

Pursuant to the provisions of Section 134 (3) (a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31st March 2017 made under the provisions of Section 92 (3) of the Act in Form MGT-9 is annexed herewith as "**Annexure D**".

15. Public Deposits

The Company has not accepted/renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the requirement for furnishing of details of deposits which are not in compliance with the Chapter V of the Act is not applicable.

16. Transfer to Reserve

During the year under review, the Company has not transferred any amount to Reserve.

17. Committees of the Board.

The Board has constituted the following mandatory committees viz., Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee and Internal Compliance Committee. The terms of reference of these committees are as required under the provisions of the respective Acts /SEBI (Listing obligations and Disclosure Requirements) 2015 and as determined by the Board. Meeting of each of these committees are convened by the respective Chairman of the Committees and minutes of the meetings of these committees are placed at the Board Meetings. The details of these committees are stated in this Report / Annexures to this Report.

17.1 Corporate Social Responsibility (CSR) Committee

Pursuant to Section 135 of the Companies Act, 2013 and the relevant rules, the Board has constituted the Corporate Social Responsibility (CSR) Committee under the Chairmanship of the Board Chairman, Mr. P.K. Jain. The other members of the Committee are Mr. Bakul Jain, Managing Director and Mr. Sodhsal Singh Dev of Dhrangadhra, Independent Director. A detailed CSR Policy has also been framed which is placed on the company's website. Other details for the CSR activities as required under Section 135 of the Companies Act 2013 are given in the CSR Report at "**Annexure E**".

17.2 Internal Compliance Committee.

In terms of the provisions of the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013., the Company has formed Internal Compliance Committees at its Head Office at Mumbai, and its Works at Sahupuram, Tamilnadu and Dhrangadhra, Gujarat. The Board also has approved a policy for prevention of Sexual Harassment at Work place. There were no Complaints filed till date under the said policy.

17.3 Risk Management Committee

The Board of the Company has formed a Risk Management Committee to frame, implement and monitor the Risk Management Plan for the Company. The Risk Management Committee is responsible for reviewing the Risk Management Plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risk and controls. Major risks identified by the businesses at functions are systematically addressed through mitigating actions on a continuing basis.

17.4 Audit Committee.

Audit Committee comprises 3 Independent Directors and Shri Sodhsal Singh Dev of Dhrangadhra is the Chairman of the Committee. Shri D. Ganapathy and Ms. Sujata Rangnekar are the other members of the Committee they possess sound knowledge on accounts, audit, finance, taxation, Internal Control etc., the details of the composition of the Audit Committee are given in the Corporate Governance Report. The Company Secretary of the Company Acts as Secretary of the Committee.

During the year there are no instances where the Board had not accepted the recommendation of Audit Committee.

17.5 Nomination & Remuneration Committee & Policy

The Company has duly constituted Nomination & Remuneration Committee to align with the requirements prescribed under the provisions of the Companies Act, 2013 and SEBI (Listing obligations and Disclosure Requirements) Regulation 2015.

The details of the Composition of the Nomination & Remuneration Committee are given in the Corporate Governance Report.

The Board has framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their Remuneration. The policy provides for determining qualification, positive attributes, and independence of a Director.

18. Details in respect of adequacy of internal financial controls with reference to the financial statements.

A strong internal control culture is pervasive in the company. The Company has implemented a robust and comprehensive internal control system for all the major processes to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedures, laws and regulations, safeguarding of assets and economical and efficient use of resources. The internal audit department continuously monitors efficiency of internal controls with objective of providing to the audit committee and the board of directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the organizations risk management, controls and governance processes.

Your Company operates in SAP, ERP environment and has its accounting records stored in an electronic form and backed up periodically. The ERP system is configured to ensure that all transactions are integrated seamlessly with the underlying books of account. Your Company has automated processes to ensure accurate and timely updation of various master data in the underlying ERP system.

19. Indian Accounting Standards (Ind AS)

As mandated by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards ("Ind AS") from 1st April 2016 with a transition date of 1st April 2015. The Financial Results for the year 2016-17 have been prepared in accordance with Ind AS, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other recognized accounting practices and policies to the extent applicable. The Financial Result for all the periods of 2016-17 presented have been prepared in accordance with Ind AS.

20. Related Party Transactions:

All the related party transactions are entered on arms length basis and are in compliance with the applicable provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015. All related party transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the audit committee on a quarterly basis specifying the nature value and terms and conditions of the transactions.

The Related Party Transactions Policy as approved by the Board is uploaded at the Company's website. The details of transaction with Related Party are provided in the accompanying financial statements.

21. Particulars of loans, guarantees and investments.

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

22. Vigil Mechanism / Whistle Blower Policy

In terms of the provisions of Section 177 (9) & (10) of the Companies Act, 2013 company has established a Vigil Mechanism for Directors and employees to report genuine concerns about unethical behavior or suspected fraud or violation of the Company's Code of Conduct by Directors / employees. The Audit Committee oversees the Vigil Mechanism. Vigil Mechanism has been disclosed by the Company on its website.

23. Corporate Governance Report

The report on Corporate Governance is annexed to this report as "Annexure F".