Prakash Pipes Limited

ISO : 9001:2015
ISO : 22000:2005
BRC : GRADE 'A'

Srivan, Bijwasan, New Delhi - 110061
CIN : L25209PB2017PLC046660
Tel. : 25305800, 28062115 Fax : 91-11-28062119
E-mail : pplho@prakash.com Website : www.prakashplastics.in

PPL/SE/AR/2020

7th September, 2020

Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor, Plot No. C/1
G Block,Bandra-Kurla Complex, Bandra (E)
Mumbai - 400051

Company Symbol : PPL

Listing Department
BSE Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001

Company Code : 542684

Sub : ***Annual Report for the Financial Year 2019-20 including notice of the 3rd Annual General Meeting***

Dear Sir,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith Annual Report of the Company for the financial year 2019-20 alongwith notice of AGM and the same is also available on the website of the Company viz. www.prakashplastics.in.

This is for your information and record please.

Thanking you,

Yours faithfully,
For **Prakash Pipes Limited**

(Sonu Sharma)
Company Secretary

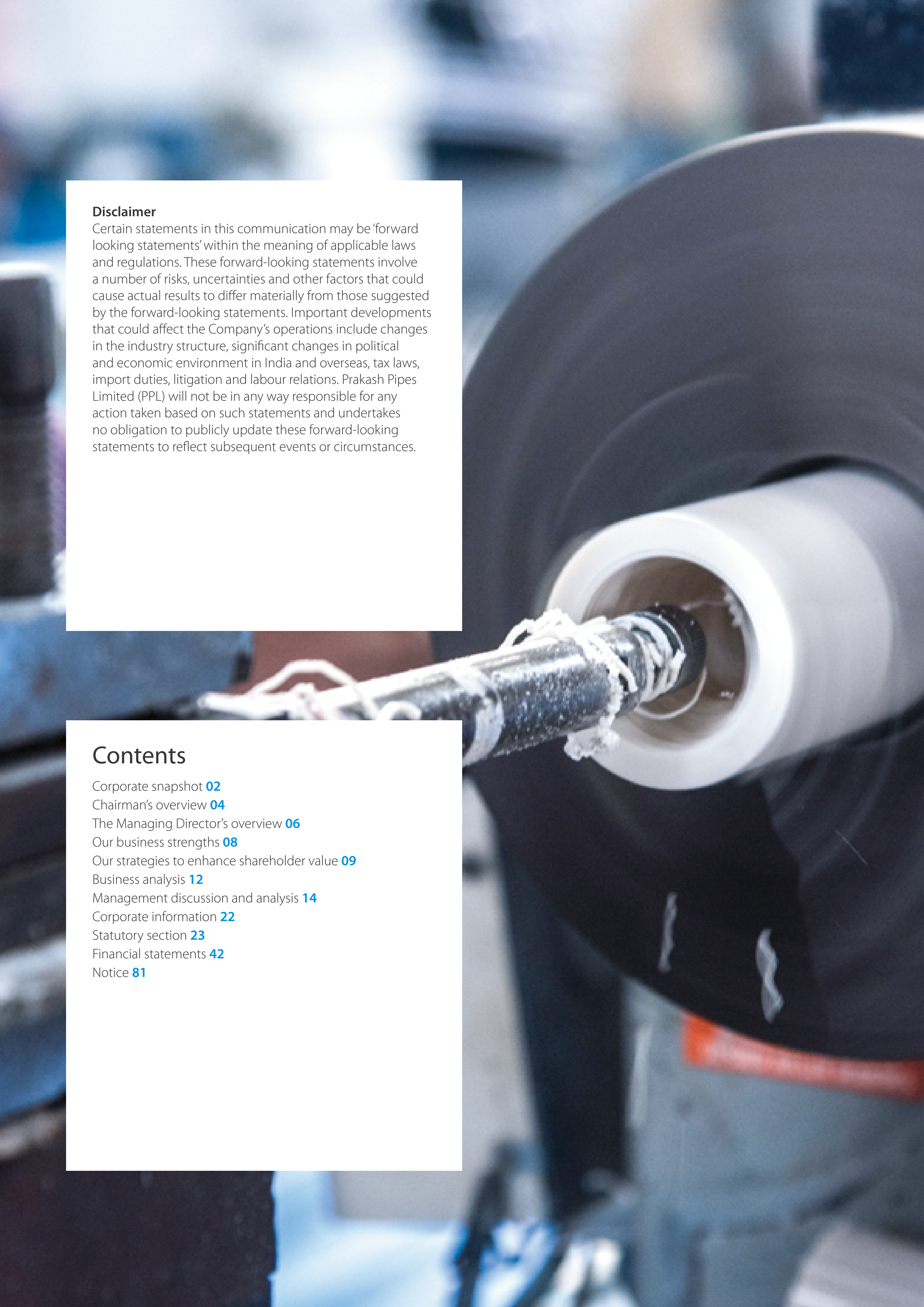
PRAKASH PIPES LIMITED NEW DELHI

Encls : Annual Report

Strengthening Sustainability

Focusing on two businesses

Prakash Pipes Limited | Annual Report 2019-20



Disclaimer

Certain statements in this communication may be 'forward looking statements' within the meaning of applicable laws and regulations. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Important developments that could affect the Company's operations include changes in the industry structure, significant changes in political and economic environment in India and overseas, tax laws, import duties, litigation and labour relations. Prakash Pipes Limited (PPL) will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

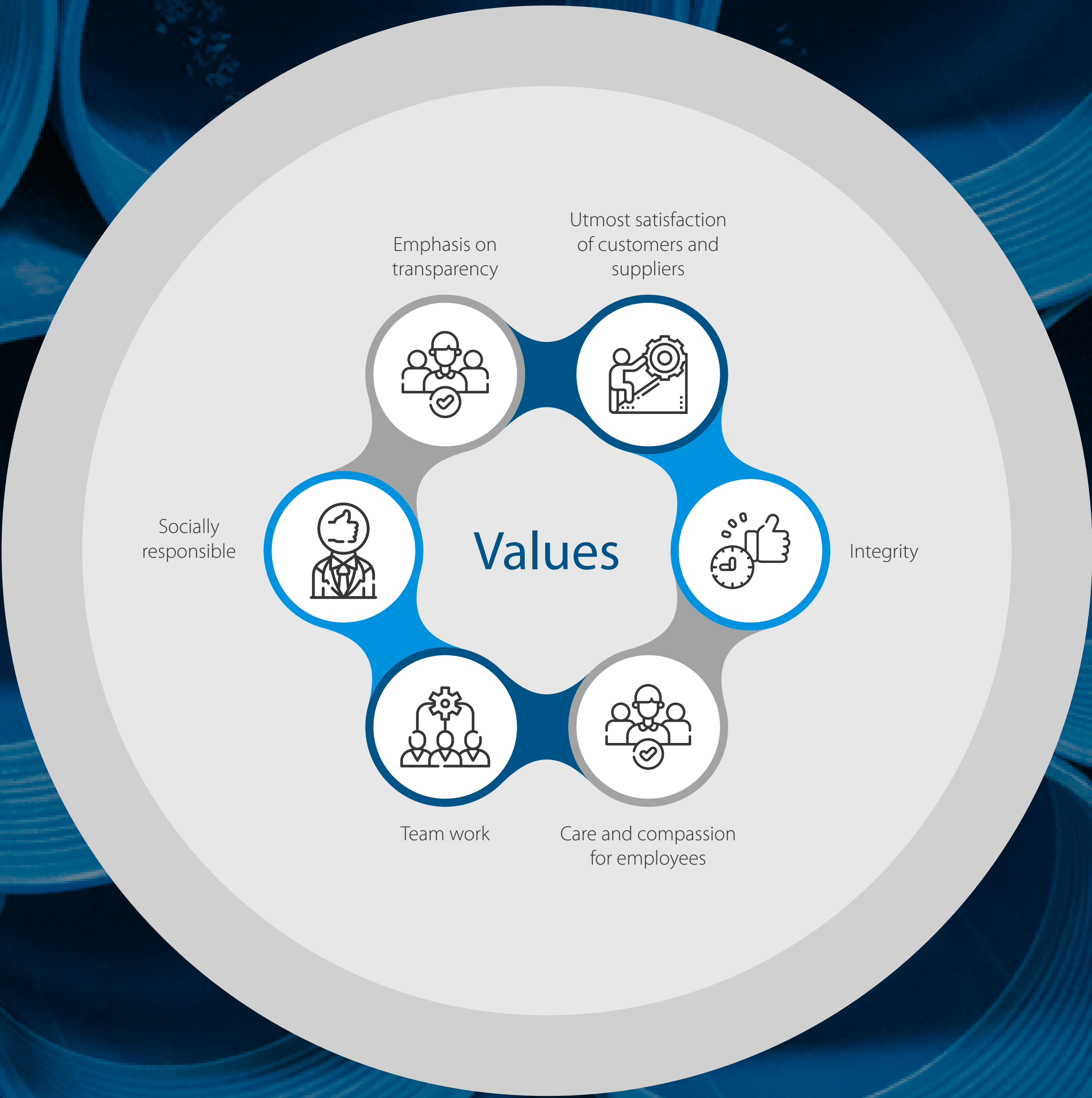
Contents

Strengthening Sustainability

At Prakash Pipes, we have strengthened our business sustainability through a growing presence in two completely different businesses that capitalise on agriculture infrastructure at one end and the country's retail consumption on the other.

The combination of these businesses is expected to drive revenue growth, cash flows and de-risking.

Prakash Pipes Limited – attractive proxy of two growing business in modern India



Vision

Prakash Pipes endeavours to become a learning and knowledge-based organisation. The Company aims to establish itself as a preferred supplier by offering quality products to its customers and to become one of the most cost competitive PVC Pipes and Flexible Packaging producer in the industry, generating wealth for its stakeholders, the surrounding community and the nation.

Customer Satisfaction

To deliver best in class product as per customised requirement through a strong backbone of innovation, people and processes.

Employees

To nurture a working environment that fosters personal and professional growth.

Vendors

We create symbiotic relationships that drive the mutual growth.

Background

The business was founded by Mr. Ved Prakash Agarwal, who has been engaged in the business of manufacturing PVC pipes and fittings since 1981. Over the last 39 years, Prakash Pipes Limited has evolved into one of the leading brands of PVC pipes and fittings in India. The capacity has steadily grown from just 2,400 MTPA to 55,000 MTPA and counting. The Company diversified into the flexible packaging business after an appraisal of the synergies and prospects.

Products

The Company's plastics business is divided into two segments: PVC pipes & fittings and flexible packaging. The Company's PVC pipes & fittings business comprises a range of products such as agri pipes, column pipes, and plumbing pipes, casing Pipes, SWR pipes, garden pipes and related fittings that find application in irrigation, drainage, housing and sanitation.

The Company's flexible packaging business manufactures high-performance barrier films and laminates that are used in packaging of food, beverages, oil, personal care and pharmaceutical products.

Locations

The corporate office of Prakash Pipes is located in New Delhi. The manufacturing plant is located in Kashipur (Uttarakhand), which is spread over 60 acres with more than 50% land being utilised for green plantation.

Certifications

The Company's products are certified for:

BRC packaging certification (global standard for packaging and packaging materials),

ISO 22000 (food safety management),

ISO 9001:2008 (standard quality maintenance) and

ISO 9001 (quality management system)

Listing

The Company was listed on the National Stock Exchange and Bombay Stock Exchange on 14 June 2019.

39.36	1.59	123.84	127	500+
Promoters' holding, 31st March, 2020 (%)	Institutional holding, 31st March, 2020 (%)	Market capitalisation, July 31, 2020 (₹ crores)	Enterprise value, July 31, 2020 (₹ crores)	Team size, 31st March, 2020

CHAIRMAN'S OVERVIEW

Governance: An article of faith

Overview

I have dedicated this overview to the subject of governance, which represents an over-arching commitment to protect the Company during the challenging global economic scenario we are witnessing today, and maximise possibilities as soon as realities improve.

At Prakash Pipes, the core of governance is the ability to grow our businesses in a safe and sustainable way that makes it possible for us to enhance value for all our stakeholders. The act of demerger that became effective in 2019 was implemented to enhance business focus and accountability. I have enunciated the priorities that constitute our governance commitment in this overview.

Primarily, governance at Prakash Pipes means a priority to run our business like an ideal corporate citizen. This enhances our focus on ethical commitment over everything else.

During the pandemic we did not lay off any employee or reduce their salaries. On the contrary, we supported our people's interests during this challenging phase and I am pleased to state that the employees responded with a family-like spirit, resulting in the resumption of operations within 30 days of beginning of the lock down measures.

We have created a complement of two businesses belonging to completely separate sectors but capitalizing on developments that are likely to remain relevant well into the long-term: the growth of the country's agriculture sector is likely to remain a multi-decade theme on account of erratic rainfall, growing focus on farm productivity and the need to transport water from rain-abundant to deficient pockets. Similarly, we believe that India is a vastly under-consumed nation in terms of retail products, which is expected to sustain growth in flexible packaging needs and options. In view of this, we believe that the relevance of our business mix will only increase across the future.

Even as we recognise the importance of scale in these two businesses, we feel that the priority to be the best is more critical than simply the need to be the largest. In view of this, we will seek to grow our manufacturing capacity in a controlled manner without disturbing the stability of the markets and without stretching our financial bandwidth.

We will continue to invest in our businesses with the objective to generate long-term value. We believe that this value will be best generated if we engage with marquee growth-oriented brands in our flexible packaging business and work closer with trade partners in our PVC pipes & fittings business. Besides, we seek to widen our value chain through an extension into adjacent business spaces i.e fittings in the PVC pipes & fittings segment and backward integration in the flexible packaging segment.

We intend to grow our business largely through internal accruals and efficient cash flow management. We believe that in the long run, this approach will make it possible for our Company to enhance organisational value, thereby strengthening stakeholder value.

We exist for the benefit of all the stakeholders who constitute our business eco-system: customers who trust us, employees who constitute our knowledge, investors who provide risk capital, communities with whom we share natural resources, governments who assure social order and vendors who provide resources.

At Prakash Pipes, we are optimistic that this complement of realities will make it possible for us to enhance stakeholder value in a stable, secure and sustainable manner across the foreseeable future.

Mr. V.P. Agarwal,
Chairman

THE MANAGING DIRECTOR'S OVERVIEW

Accrual-driven scale: Foundation for sustainability

I welcome all our stakeholders to the second Annual Report of the Company following the demerger.

Our performance review for FY2019-20

The Company reported revenues of ₹385 crores in FY2019-20, which was 12.96% higher than the previous financial year. Operating profit margin and net profit margin stood at 11.02% and 6.42% respectively. Given the sluggishness of the Indian economy that reported considerably lower growth through the year, we are reasonably pleased with our performance of FY2019-20.

During the last financial year, the first and fourth quarters indicated attractive demand, while the demand offtake during the monsoons (coinciding with the second quarter) was better than usual. However the offtake of PVC products was extensively affected in the third quarter of FY2019-20 following unseasonal rains.

The strengthening health of our PVC business

For the last few decades, the *Prakash* brand has been trusted for quality and dependability across North India. Our primary customers seek to engage with us on account of high product integrity; consumers prefer to buy from us because of the assistance provided during the pipe network implementation and farmer awareness-building in the area of superior water management, graduating the brand into a trusted friend, catalysing farmer fortunes in some of India's most fertile regions.

The business accounted for 85.93% of our revenues and 100% of our EBITDA. The Company produced 43,305 MT of PVC pipes and fittings in FY2019-20 as against 42,012 MT in the previous year, indicating the strength of our brand in the regions of our presence. Besides, the business continued to be non-working capital-driven, marked by a short receivables tenure and extended creditors' cycle. Our presence across five states with over 1000+ distribution and retail counters made it possible to penetrate regions of emerging demand. Despite competing with other brands, *Prakash* successfully retained a lion's share of market place in North India, which is an index of trust evoked by the Company's products and longstanding presence.

At Prakash Pipes, we see this business growing in a scalable and sustainable manner; we possess an effective peak capacity of 55,000 MTPA and considerable space to add incremental manufacturing lines, especially in PVC fittings range, as we keep generating additional surpluses from the business.

We are optimistic of our prospects on account of a projected growth in the market, derived from the growing importance that the Indian government is providing the country's agricultural sector through reforms, concessions and incentives. The government allocated ₹1 lakh crore for the development of agricultural and food processing infrastructure. Besides, we believe that polymer pipes possess considerable advantages over steel equivalents; the absence of rust makes these pipes enduring; there is a growing traction for branded polymer pipes. Even as the sector is mature, we see a sunrise opportunity for this business segment on account of its deepening relevance in India's agriculture sector and widening non-farm applications in the construction, telecom and gas transmission sectors.

Our rapidly growing flexible packaging business

The Company entered the flexible packaging business in 2018, so by all accounts the year under review was the first full year of the Company's operations. Within just a year of entering the business, the Company has increased its installed capacity from 5400 MTPA to 9600 MTPA and achieved 100% capacity utilisation in June 2020 amidst the pandemic lockdown.

The success of this business segment is derived from high product quality coupled with the engagement of marquee clients. The Company is an active supplier of flexible packaging solutions to a range of prominent international and Indian brands. Within a short period, these customers have provided our Company with repeat engagements, resulting in revenue visibility.

The attractive sales throughput provided our Company with the optimism to commission its second round of expansion in FY2020-21, raising its installed capacity to 19,200 MTPA. Following the completion of this expansion during the second half of the current financial year, we will have moderated our capital cost per tonne and increased our volumes, creating the basis of additional surplus generation. We expect to emerge as an attractive fast-growing mid-sized player with an acceptable critical mass within just three years of getting into the business.

We are particularly optimistic about the prospects of this business. The Company successfully passed through a challenging economic phase in the last couple of years by reporting sales growth; the Company grew its installed capacity completely through accruals; a large proportion of the Company's revenues are derived from relationships with existing customers; the Company did not just grow capacity but also focused on backward and forward integration that will improve operational efficiencies, reduce costs and strengthen product turnaround.

Addressing the Covid-19 lockdown environment

Our manufacturing and marketing operations were temporarily shut following the announcement of the lockdown of business activities in March 2020. However, the Company was among the first to return to its feet once the government permitted essential sectors to resume operations.

At Prakash Pipes, we expect our revenue mix to evolve visibly from the current year onwards. In FY2019-20, flexible packaging accounted for 14.06% of our revenues; during the current year, we expect revenues from this business to increase to 26% of our overall revenues even as the Company's overall revenues are expected to grow by 28%.

The last two years have been among the most challenging for the Indian economy in a long time. During this period, the Company demerged, incubated a new business, grew that business to break-even point, strengthened cash flows and generated all its investment requirements from within.

We believe that the accrual-driven foundation of our Company is attractively placed to generate sustainable growth and value creation from this point onwards.

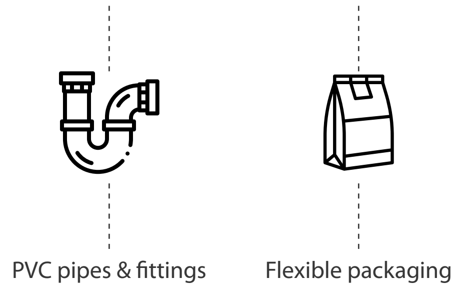
Kanha Agarwal,
Managing Director

Our business strengths

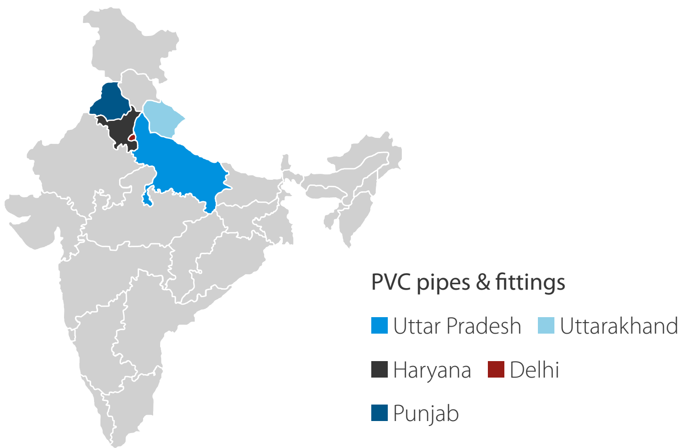
- Operational efficiencies derived through backward and forward integration
- Net-debt free Balance Sheet
- Positive cash flows
- Capex through internal accruals
- Building customer trust through uncompromised quality and in-time delivery
- Focus on steady and sustainable growth
- Strengthened recognition of the *Prakash* brand

Our strategies to enhance shareholder value

1 Verticalisation



2 Geographic focus

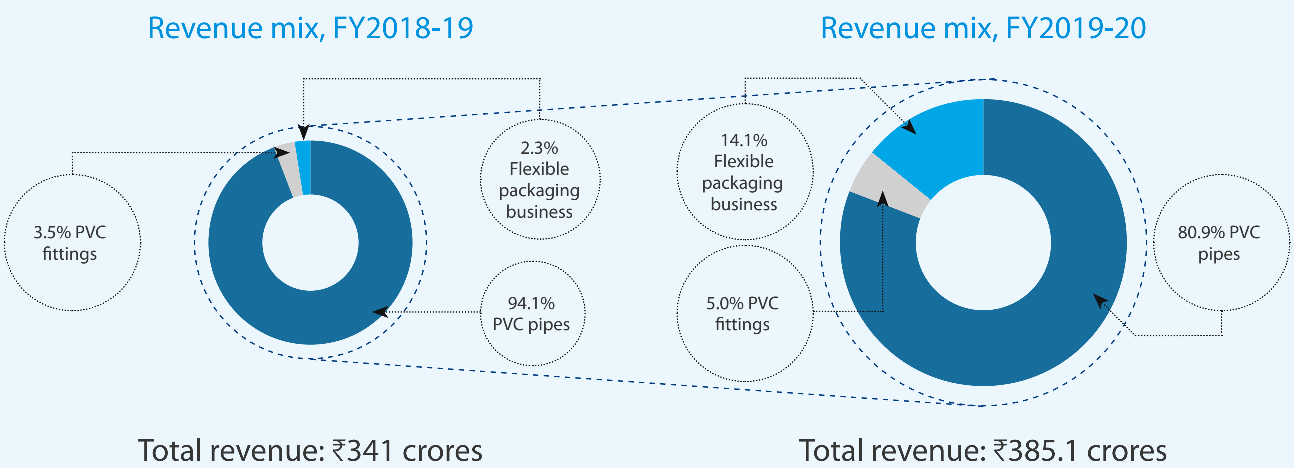


3 Value-added products

Increasing range of PVC fittings

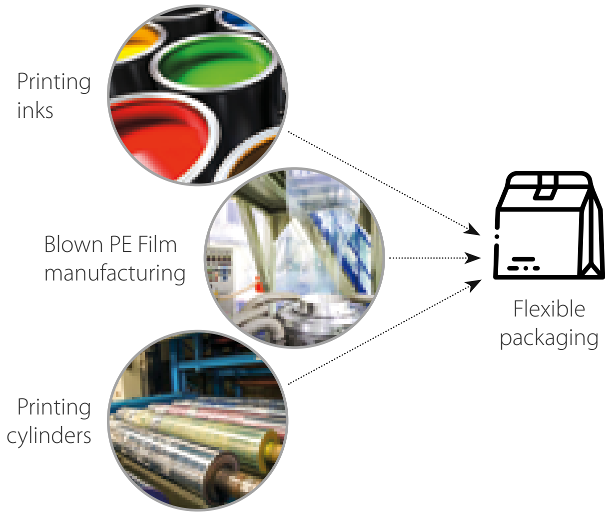
Customised flexible packaging pouches

4 Increased flexible packaging share



5 Backward integration

Backward integrated into:



6 Growth out of accruals

Year	FY2019-20	FY2018-19
Accruals* (₹ crores)	16.29	20.66
Investment* (₹ crores)	15.32	19.95
Investment in capacity addition as a % of accruals	94%	97%

Our accrual-driven capacity growth

	Existing capacity	Proposed addition	Projected capacity
PVC pipes & fittings	55,000 TPA	12,000 TPA (upto FY2021-22)	67,000 TPA (upto FY2021-22)
Flexible packaging business	9,600 MTPA	9,600 MTPA (upto FY2020-21)	19,200 MTPA (upto FY2020-21)

7 Ride marquee relationship

Prakash

Key Clientele in Packaging

*Accruals = Opening Cash + Net Cash from Operating Activities + Net Cash from financing activities

*Investment = Net Cash used in investing activities

1

BUSINESS ANALYSIS

Our PVC pipes and fittings business

₹330.1 crores
turnover, FY2019-20

85.9%
of the Company's overall revenues

Overview

Products: PVC pipes and fittings - agri pipes, column pipes, plumbing pipes, casing pipes, SWR pipes, garden pipes and a related range of fittings.

Presence: North India - Uttar Pradesh, Uttarakhand, National Capital Region, Haryana and Punjab.

Brand: The *Prakash* brand is widely respected for product reliability and durability; the brand stands for 'Trust' and 'Lay it, forget it'; the Company focuses on premium positioning; it enjoys a short receivables cycle.

Integrity: Ethical commitment covers the consistent use of first grade resources.

Market share: Undisputed market leader in North India.

Plant: Manufacturing facilities are spread across 60 acres land at Kashipur, Uttarakhand Distribution: The Company's products are distributed by over 600 dealers and retailers.

Logistics: In-house transportation fleet delivers products with speed.

Complement: Focus on growth through value-added products such as PVC fittings.

55,000
TPA of capacity, FY2019-20

12,000
TPA of capacity addition upto FY2020-21

67,000
TPA of total capacity by end FY2020-21

2

BUSINESS ANALYSIS

Our flexible packaging business

₹54.2 crores
turnover, FY2019-20

14.1%
of the Company's overall revenues

Overview

Focus: Entered the business of flexible packaging in FY2018-19 to address the growing need of flexible packaging for FMCG and pharma products.

Technology: Invested in equipment from India's leading equipment suppliers, marked by high manufacturing efficiency and product quality.

Footprint: In a short span of two years, created a Pan-India presence as well as tapped the export markets.

Value-addition: Focused on the value-added packaging segments such as specialised pouches.

Customers: Serves the growing needs of FMCG brands such as CG Group, Cornitos, Patanjali, Anmol, Cremica, Creambell, Bambino, among others.

Integration: Integrated backwards in to the manufacturing of blown PE films, printing inks and printing cylinder.

Turnaround: Reported a break-even in this business from the last quarter of FY2019-20.

Expansion: Commissioned an expansion in FY2019-20 and kick-started the next expansion to be commissioned in FY2020-21.

Leverage: No term loans on its books.

9,600
MTPA of capacity, FY2019-20

9,600
MTPA of capacity addition under implementation

19,200
MTPA of total capacity by end FY2020-21

Management discussion and analysis

Global economic review

The global economy grew slower by 70 bps at around 2.9% in 2019 compared to 2018. Global trade also grew a mere 0.9% in 2019 due to trade tensions and slower economic growth. The pandemic Covid-19 is projected to shrink global growth significantly in the foreseeable future. As a result of the novel coronavirus pandemic, the global economy is expected to de-grow significantly in the current financial year.

(Source: World Economic Outlook, April 2020, CNN, Economic Times, trading economics, Statista, CNBC)

Global economic growth over five years

	World output	Advanced economies	Developing and emerging
2015	3.5	2.3	4.3
2016	3.4	1.7	4.6
2017	3.9	2.5	4.8
2018	3.6	2.2	4.5
2019	2.9	1.7	3.7

(Source: IMF)

Indian economic review

Indian economy slowed to 4.2% in FY2019-20, compared to 6.1% in FY2018-19. In FY2019-20, GDP growth slowed, which contributed to an increase in fiscal deficit mainly on account of lower aggregate demand, lower fiscal revenue, lower economic activity and higher fiscal expenditure on account of the measures to address the economic slowdown.

India emerged as the fifth-largest world economy in 2019. India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking. The country climbed 79 positions in five years and was among the top 10 performers for the third year running.

The nominal exchange rate (the Indian rupee or INR vis-à-vis the US dollar) exhibited sizable two-way movements during October-December 2019. The INR came under intensified and sustained depreciation pressures beginning mid-January, reflecting a generalised weakening of emerging market currencies amidst flights to safety. Accordingly, the baseline assumes an average of INR 75 per US dollar.

The nominal per capita net national income was estimated to be ₹134,226 in FY2019-20, up 6.1% from ₹126,521 in FY2018-19. Retail inflation climbed to a six-year high of 7.59% in January, breaching the RBI's upper band of 6% while settling at 5.91% in March 2020. Growth in nominal rural wages, both for agricultural and non-agricultural labourers, remained subdued averaging around 3.4% and 3.3%, respectively during FY2019-20 so far (until January 2020), reflecting a continued slowdown in the construction sector.

The outbreak of COVID-19 and the subsequent lockdown enforced in the country are expected to moderate demand. Intensification of social distancing is expected to lead to supply side as well as demand side shocks. Supply chain disruptions could hurt domestic production in sectors which are dependent on imported inputs such as pharmaceuticals, autos, chemicals, power, etc.

Growth of India's GDP in FY2019-20

	Q1, FY20	Q2, FY20	Q3, FY20	Q4, FY20
Real GDP growth (%)	5.2	4.4	4.1	3.1

(Source: Economic Times, CSO, Economic Survey, IMF, RBI, Franklin Templeton, PIB)

Key government initiatives

National infrastructure pipeline: To achieve a GDP of USD 5 trillion by 2025, the government announced National Infrastructure Policy with an investment plan worth ₹102 trillion in five years. It laid down the vision of the government in terms of job creation: about 50 million people are expected to leave farming from 2012 to 2030, the transition being underway.

Corporate tax relief: Indian companies were unable to compete globally, with the cost of capital and corporate income tax (CIT) being significantly higher than overseas competitors. In view of this, the government reduced corporate tax rate to 22% from 30%; it announced a new tax rate of 15% for new domestic manufacturing companies, strengthening the Make-in-India initiative. The new effective CIT would be 25.17%, inclusive of a new lower surcharge of 10% and cess of 4%. India's CIT is now closer to the global average statutory CIT of 23.03%.

Global PVC pipes market

The global PVC pipes market reached a volume of 23.9 million tonnes in 2019. The market is further projected to reach a volume of 31.7 million tonnes by 2025, expanding at a CAGR of 4.8% during 2020-2025.

PVC pipes have gained popularity across the globe owing to their favourable properties such as light-weight, cost-effectiveness, easy installation and durability. Apart from this, their excellent heat and electrical insulation properties have led to their usage in electrical fittings. These pipes do no rot, wear or rust over time and can withstand rigorous shaking and extreme movement in earthquake-prone zones. Owing to these factors, PVC pipes are continuously replacing other piping materials across the world. (Source: imarcgroup.com)

Indian PVC pipes market overview

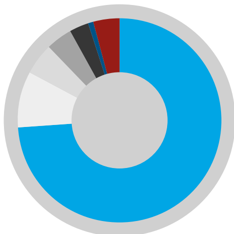
India PVC pipes market was valued at US$ 3,539.0 million in 2018 and is projected to be worth US$ 5,209.4 million by 2027; clocking a CAGR of 4.5% between 2019 and 2027. PVC pipes are corrosion-resistant, cost-effective, flame-resistant, easy to install & handle and environmentally-sound, with long service life. These pipes can easily replace wood, metal, concrete, and clay in different applications.

Based on the type of PVC pipe, the India PVC pipes market is segmented into chlorinated, plasticised, and unplasticised. In 2018, unplasticised PVC (uPVC) pipes held the largest share of 61.0% of the India PVC pipes market. uPVC pipes are rigid with a stiffness greater than that of plasticised PVC pipes. uPVC pipes feature superior resistance to chemical erosion, and their smooth inner walls allow water to flow more smoothly, causing less turbulence. Owing to the high strength, stiffness, and chemical resistance, uPVC pipes account for a significant share of the India PVC pipes market. They are widely used in the soil and waste discharge, ventilation, and rainwater harvesting systems. The use of uPVC pipes in the agriculture sector and the construction industry is expected to spur the growth of the unplasticised PVC market in the coming years.

Based on raw material, the India PVC pipes market is segmented into PVC resin, stabilisers, plasticisers, lubricant, pigment base and others. The PVC resin segment led the India PVC pipes market with a market share of 40.1% in 2018. PVC resins are the raw material used in the manufacturing of PVC pipes. It is one of the most widely manufactured thermoplastic polymers in the world after polyethylene and polypropylene. The growing demand for PVC pipes and fittings used across several industries such as oil & gas, HVAC, agriculture, automotive, and food & beverages is responsible for increasing the sales of PVC resins in India.

Plastic pipes industry is one of the sectors that got some relief to work with lower than normal capacity, so that social distancing norms can be followed properly post the COVID-19 pandemic. The sector is also getting help from the opening up of agriculture segment, which accounts for 48% of the business, while the no demand from construction activity is the only concern for the pipes sector. Despite the headwinds, the demand for the PVC pipes is expected to bounce back on the back of the agriculture sector. (Source: marketwatch.com)

Indian PVC demand split



- 74% Pipes & fittings
- 9% Calendaring
- 5% Wire & cable
- 4% Films
- 3% Profiles
- 1% Sheets
- 4% Others*

(Source: icis.com)

Demand drivers

Agriculture: The total foodgrain production in the country is estimated to clock 291.95 million tonnes in FY2019-20, 6.74 million tonnes higher than the production of foodgrain of 285.21 million tonnes achieved during FY2018-19. However, the production during FY2019-20 is higher by 26.20 million tonnes than the previous five years' (FY2013-14 to FY2017-18) average production of foodgrain. (Source: CSO)

Irrigation: The total irrigated crop area in the country has increased from 68.38 million hectares in FY2014-15 to 197.38 million hectares in FY2019-20. Over the foreseeable future, the irrigation sector is expected to offer huge business opportunities to various stakeholders such as project developers, engineering, procurement and construction (EPC) contractors, technology and equipment providers and financiers, among others. (Source: PIB)

Real Estate Sector: Increasing incomes, rapid urbanisation is driving residential and commercial realty demand in India and growing requirements of space from sectors such as education and healthcare, e-commerce and logistics will propel demand for PVC pipes. The total number of houses built under the Pradhan Mantri Awas Yojana (PMAY) reached 69 million in 2019. Government of India's Housing for All initiative is expected to bring US$ 1.3 trillion investments in the housing sector by 2025. (Source: IBEF)

Government Initiatives

Agriculture

- In 2019, NABARD announced an investment of ₹700 crores (US$ 100 million) venture capital fund for equity investments in agriculture and rural-focused start-ups.

- Under Budget FY2019-20, Pradhan Mantri Samman Nidhi Yojana was introduced under which a minimum fixed pension of ₹3000 (US$ 42.92) to be provided to the eligible small and marginal farmers, subject to certain exclusion clauses, on attaining the age of 60 years.

The Government of India has come out with the Transport and Marketing Assistance (TMA) scheme to provide financial assistance for transport and marketing of agriculture products in order to boost agriculture exports.

Irrigation

- The government has undertaken various initiatives like Pradhan Mantri Krishi Sinchayee Yojana (PMKSY), Accelerated Irrigation Benefits Programme, Bharat Nirman Programme, Participatory Irrigation Management, Interlinking of Rivers (ILR) Programme, and Command Area Development and Water Management.

- The government has created two dedicated funds - a long-term irrigation fund and a micro irrigation fund - with an initial corpus of about ₹400 billion and ₹50 billion, respectively, for financing these projects.

Real estate

- The Government of India along with the governments of the respective states has taken several initiatives to encourage the development in the sector. The Smart City Project, where there is a plan to build 100 smart cities, is a prime opportunity for the real estate companies. Below are some of the other major Government Initiatives:

- To revive around 1,600 stalled housing projects across the top cities in the country, the Union Cabinet has approved the setting up of a ₹25,000 crores (US$ 3.58 billion) alternative investment fund (AIF).

- Under Pradhan Mantri Awas Yojana (Urban) [PMAY (U)], 1.12 crores houses have been sanctioned in urban areas creating 1.20 crores jobs.

- Government has created an Affordable Housing Fund (AHF) in the National Housing Bank (NHB) with an initial corpus of ₹10,000 crores (US$ 1.43 billion) using priority sector lending short fall of banks/financial institutions for micro financing of the HFCs.

AMRUT

- The Government of India has launched the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) with the aim of providing basic civic amenities like water supply, sewerage, urban transport, parks as to improve the quality of life for all especially the poor and the disadvantaged.
- The Mission covers covering 500 cities that includes all cities and towns with a population of over one lakh with notified Municipalities.
- Total outlay for AMRUT is ₹50,000 crores for five years from FY2015-16 to FY2019-20 and the Mission and is being operated as Central Sponsored Scheme. The project fund is divided among States/UTs in an equitable formula in which 50:50 weightage is being given to the urban population of each State/UT and number of statutory towns.

Jal Jeevan Mission (JJM)

- The Government has announced that ₹3.6 lakhs crores will be spent in the next five years under the newly formed Jal Jeevan Mission, which aims to provide piped water ('Har Ghar Nal Sey Jal') to all rural households by 2024. The fund sharing pattern between the centre and states is 90:10 for Himalayan and North-Eastern States, 50:50 for other states and 100% for Union Territories.
- Out of 17.87 crores rural households in the country, a majority of 81.67% households did not have tap connections for water. This scheme is directed towards ensuring 100% household taps have connection to water, through institutional mechanism at four levels: national, state, district, and gram panchayat.
- Water supply has been started through domestic tap connections to more than 11.5 crores population of 802 villages by completing 19 group water schemes.
- Work on 39 schemes costing ₹6672 crores is in progress, which will be completed in the next two years. This will provide drinking water to about 64 lakhs population of 6091 villages.

(Source: indiainfrastructure.com, indiaeducationdiary.in, IBEF)

Pradhan Mantri Krishi Sinchayee Yojana (PMKSY)

This initiative is directed towards enhancing water efficiency at farm level through drip and sprinkler irrigation systems.

In FY2019-20, the Government covered 6,21,918 Ha through drip irrigation and 5,49,124 Ha through sprinkler irrigation, enabling farmers to save irrigation water, conserve energy and save labour cost and fertilisers coupled with increasing crop production.

During the last five years (2015-16 to FY2019-20), an area of 46.96 lakhs Ha has been covered under micro irrigation through PMKSY-PDMC.

This has been driving the demand for PVC pipes in the country for some time now.

The farmer perspective

Despite the global headwinds from COVID-19, foodgrain demand is expected to sustain owing to the product being a necessity. The Government took the following measures to assist the farming sector:

- Immediately after the implementation of the first lockdown, the Government declared a ₹1.7 trillion package, mostly to protect the vulnerable sections (including farmers) from adverse impacts of the COVID-19 pandemic. This package also included a payment of ₹2000 to bank accounts of farmers as income support under PM-KISAN scheme.
- The Indian Council of Agricultural Research (ICAR) issued a state-wise guideline to be followed by farmers during the lockdown. The advisory mentions specific practices during harvest and threshing of various rabi (winter sown) crops as well as post-harvest, storage and marketing of the farm produce.
- The Reserve Bank of India (RBI) undertook various measures to address the challenge of debt servicing owing to COVID-19. Agricultural term and crop loans were granted a moratorium of three months (till 31st May) by banking institutions with 3% concession on the interest rate of crop loans up to ₹3,00,000 for borrowers with good repayment behaviour.
- Farmers were allowed to sell their produce beyond designated mandis by the Agricultural Produce Market Committees (APMCs) to ease the burdens of farmers.

Packaging market In India

The food and beverage industry is the major end-user of the flexible packaging supplies. The growing food and beverage industry that will drive the adoption and demand for flexible packaging solutions will contribute to the growth of the flexible packaging market size.

The Indian flexible packaging market is expected to reach a value of ₹~640.38 billion by FY2022-23, up from its FY2016-17 value of ₹375 billion, expanding at a compound annual growth rate (CAGR) of ~10% from FY2017-18 to FY2022-23.

(Source: www.technavio.com, Business wire)

Growth drivers

- Being the fourth-largest sector in the Indian economy, the fast-moving consumer goods (FMCG) sector represents the largest opportunity for flexible packaging. Sub-segments like food and beverages, and personal care are the major end users of flexible packaging in India. With the growth of this market, demand for flexible packaging is expected to increase.

- India, the fifth largest preferred retail destination in the world, is expected to generate revenue of ₹76.87 lakhs crores by 2020, increasing at a CAGR of ~17.85% from 2015. The growth of the retail industry will directly lead to the expansion of the flexible packaging market in India.

- The nominal per-capita net national income during FY2019-20 is estimated at ₹1,34,226, a rise of 6.1% compared to ₹1,26,521 during FY2018-19.

- By 2030, approximately 40% of the population could reside in urban India from 34% today, creating an additional demand for packaging industry owing to the increasing demand for packaging amongst the urban crowd.

- Approximately 66% of India's population is below the age of 35 years. The median age of the country is estimated to be ~28 years compared to a global average of 30 in 2019. The youth population is largely driven by changing trends in packaging industry.

- According to a report by PwC-CII, India is the nation of shopkeepers with its 12 million retailers. These shops are present in every corner of the country primarily in rural areas. This phenomenon is providing a thrust to the packaging industry as brands and packaging companies work together to extend brands to rural areas through cost-effective packaging solutions.

(Source: www.businesswire.com, Financial Express, PIB)

Benefits of flexible packaging

- Flexible packaging ensures freshness, durability, printability, and barrier protection for packed products.

- Improved packaging also increases the shelf life of products, which is crucial for end-users in F&B and pharmaceutical industries.

- Flexible packaging is compact, weighs less, and produces less packaging waste. This significantly reduces costs associated with manufacturing, transportation, and helps companies reduce their overall carbon footprint.

- Drives sustainability by maximizing reuse and recycling. Flexible packaging uses zippers and seal top closures, which allows consumers to use them multiple times before discarding. The materials used in flexible packaging are also recyclable, thus promoting a circular economy.

Financial overview

Analysis of the profit and loss statement

Revenues: Revenues from operations reported a 12.96% growth from ₹340.96 crores in FY2018-19 to reach ₹385.14 crores in FY2019-20.

Expenses: Total expenses of the Company increased by 15.50% from ₹307.28 crores in FY2018-19 to ₹354.91 crores due to business growth . Raw material costs, accounting for a 84.54% share of the Company's total expenses, increased by 15.08% from ₹260.75 crores in FY2018-19 to ₹300.06 crores in FY2019-20 owing to an increase in the operational scale of the Company. Employees expenses accounting for a 5.33% share of the Company's total expenses increased by 46.44% from ₹12.92 crores in FY2018-19 to ₹18.92 crores in FY2019-20.

Analysis of the Balance Sheet

Sources of funds

- The capital employed by the Company increased by 25.71% from ₹109.24 crores as on 31st March, 2019 to ₹137.33 crores as on 31st March, 2020 owing to expansion in the flexible packaging business. Return on capital employed decreased by 796 basis points from 25.97% in FY2018-19 to 18.02% in FY2019-20 due to investments made in capacity expansion in the third quarter out of accruals, the benefits of which will only accrue in the current financial year.

- The net worth of the Company increased by 21.22% from ₹109.17 crores as on 31st March, 2019 to ₹132.34 crores as on 31st March, 2020 owing to increase in reserves and surpluses. The Company's equity share capital comprising 2,04,18,354 equity shares of ₹10 each remained unchanged during the year under review.

- Finance costs of the Company increased by 725% from ₹0.2 crores in FY2018-19 to ₹1.65 crores in FY2019-20 following an increase in liabilities. The Company's interest cover stood at a comfortable 25.72 x in FY2019-20 (215.95 x in FY2018-19).

Applications of funds

- Fixed assets (gross) of the Company increased by 21.83% from ₹82.09 crores as on 31st March, 2019 to ₹100.01 crores as on 31st March, 2020 owing to an increase in plant and machinery. Depreciation on tangible assets increased by 37.50% from ₹4.72 crores in FY2018-19 to ₹6.49 crores in FY2019-20 owing to an increase in fixed assets during the year under review.

Working capital management

- Current assets of the Company increased by 32.73% from ₹74.21 crores as on 31st March, 2019 to ₹98.5 crores as on 31st March, 2020 owing to the growing scale of business of the Company. The current of the Company stood at 2.25x in FY2019-20 compared to 2.56x in FY2018-19.

- Inventories including raw materials, work-in-progress and finished goods among others increased by 70.08% from ₹17.38 crores as on 31st March, 2019 to ₹29.56 crores as on 31st March, 2020 owing to the growing operational requirement of the Company. The inventory cycle declined from 12.16 days of turnover equivalent in FY2018-19 to 28.54 days of turnover equivalent in FY2019-20.

- Growing business volumes resulted in an increase of 36.55% in trade receivables from ₹31.63 crores as on 31st March, 2019 to ₹43.19 crores as on 31st March, 2020.

- Cash and bank balances of the Company increased by 36.62% from ₹0.71 crores as on 31st March, 2019 to ₹0.97 crores as on 31st March, 2020

- Loans and advances made by the Company declined by 64.75% from ₹20.51 crores as on 31st March, 2019 to ₹7.23 crores on account of decreased prepaid expenses and advances payable to suppliers.

Numerical Analysis

Particulars	FY2019-20	FY2018-19
EBIDTA/Turnover (%)	11.02	12.67
EBIDTA/Net interest ratio	26	216
Debt-equity ratio	Nil	Nil
Return on equity (%)	18.69	25.99
Book value per share (₹)	64.81	53.46
Earnings per share (₹)	12.12	13.98
Debtors' Turnover (days)	33	16
Inventory Turnover (days)	28.5	12.16
Interest Coverage Ratio (x)	25.72	215.95
Current Ratio (x)	2	3
Debt Equity Ratio (x)	Nil	Nil
Operating Profit Margin (%)	11.02	12.67
Net Profit Margin (%)	6.42	8.32

Risks and Concerns

Risk, which is the manifestation of business uncertainty affecting corporate performance and prospects, is an integral part of business. The Company follows a well-defined and exhaustive risk management process, which is integrated with its operations. This enables the Company to identify, categorise and prioritise operational, financial and strategic business risks. To address the identified risks, the Company continues to spend significant time, effort and human resources to manage and mitigate such risks.

Internal control systems and their adequacy

The Company's internal audit system has been continuously monitored and updated to ensure that assets are safeguarded, established regulations are complied with and pending issues are addressed promptly. The audit committee reviews reports presented by the internal auditors on a routine basis. The committee makes note of the audit observations and takes corrective actions, if necessary. It maintains constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively.

Human resources and industrial relations

The Company believes that the quality of the employees is the key to its success and is committed to equip them with skills, enabling them to seamlessly evolve with ongoing technological advancements. During the year, the Company organised training programmes in different areas such as technical skills, behavioural skills, business excellence, general management, advanced management, leadership skills, customer orientation, safety, values and code of conduct. The Company's employee strength stood over 500 as on 31st March, 2020.

Cautionary statement

The statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward-looking statements' within the meaning of applicable securities laws and regulations.

Corporate Information

Board of Directors

Mr. V. P. Agarwal - *Chairman*

Mr. Kanha Agarwal - *Managing Director*

Mr. Vikram Agarwal - *Director*

Dr. S. L. Keswani - *Independent Director*

Dr. S.C. Gosain - *Independent Director*

Ms. Parveen Gupta - *Independent Director*

Company Secretary

Mr. Pawan Kumar

Statutory Auditors

Chaturvedi & Co.
Chartered Accountants

Bankers

Kotak Mahindra Bank
IDBI Bank
ICICI Bank

Registered Office

Darjiyan Wali Gali, Rayya Teh-Baba Bakala,
Amritsar-143112 (Punjab)

Corporate Office

SRIVAN
Bijwasan, New Delhi - 110 061

Works

5 km Stone
Moradabad Road, Kashipur
U.S. Nagar, Uttarakhand-244713

Website

www.prakashplastics.in

Email

pplho@prakash.com

DIRECTORS' REPORT

To the members

Dear Shareholders,

Your Directors are pleased to present their third Annual Report on the business & operations of the Company together with the Audited Statement of Financial Accounts for the Period ended 31st March, 2020.

FINANCIAL RESULTS

(Amount in ₹ Lakhs)

Particulars	For the Period ended 31st March, 2020	For the Period ended 31st March, 2019
Net Sales	38514	34096
Other Income	407	459
Total Income	38921	34555
EBITDA	4244	4319
Depreciation	649	472
Financial Expenses	165	20
Profit Before Tax	3430	3827
Provision for Taxes	955	972
Profit After Tax	2475	2855
Other Comprehensive Income	(1)	(18)
Total Comprehensive Income	2474	2837

PERFORMANCE

During the financial year 2019-20 the Company had achieved Net Sales of ₹385.14 Crores and EBITDA of ₹42.44 Crores as against ₹340.96 Crores and ₹43.19 crores respectively. After providing for interest, depreciation and tax, the Net Profit of the Company was ₹24.74 Crores as against ₹28.37 Crores for previous financial year. The EPS for current financial year is ₹12.12.

FUTURE PROSPECTS

Indian PVC pipe market was valued at US$ 3539 mn in 2018 and projected to be worth US$ 5209.4 mn by 2021. Considering the future growth potential in the sector at the back of rising demand from construction and irrigation sector, the Company has undertaken capacity expansion at its PVC Pipe & Fittings plant, which is in advanced stages of implementation.

The Company also ventured into Flexible Packaging and laminates business at its existing plant at Kashipur, in the State of Uttarakhand. Flexible Packaging business has huge potential for growth in future in view of the shift in consumer preferences towards branded / packaged products, growth of packaging end-sectors like food and beverages, beauty care, personal care and pharmaceuticals along with organized retail and strong overseas demand for packaged export products.

DIVIDEND

The Board of Directors of your Company is pleased to recommend a dividend of ₹1.20 per Equity Shares of the face value of ₹10 each (i.e. @12.%) payable to shareholders whose names appears in the Register of members as on book closure / record date.

The dividend, if approved by the members, would involve a cash outflow of ₹245 Lakhs.

ENVIRONMENT AND CORPORATE SOCIAL RESPONSIBILITY

Your Company has always laid emphasis on its environmental commitment towards the society, including its customers, clients, employees, workers and public. The Company takes effective steps to spread the environmental awareness among its employees and motivates them to work in an environmentally responsible manner. The Company ensures compliance with all applicable environmental laws at its plants, which results in providing safe and healthy workplaces to its employees.

Corporate Social Responsibility has also been an integral part of the Company's business. The Company's initiatives towards fulfilling its Corporate Social Responsibility includes providing safe drinking water facilities around its plant, environmental sustainability and generating employment opportunities for local people.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

As a result of the Covid-19 pandemic and the nation wide lockdown, the plant operations of the Company remained suspended till the third week of April, 2020. However in the fourth week of April, 2020, the operations were recommenced and the Company is now operating at optimum capacity utilization as of now. Apart from this, there were no material changes and commitments affecting the financial position of the Company between the end of the financial year of the Company to which the financial statements relate and the date of the report..

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There were no significant and material order passed by any Regulators or Courts or Tribunal impacting the going concern status of the Company during the Financial Year 2019-20.

CHANGE IN NATURE OF BUSINESS, IF ANY

There is no change in the nature of business in the financial year 2019-20.

DETAILS OF SUBSIDIARY COMPANIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Our Company was incorporated as wholly owned subsidiary of Prakash Industries Limited. However as per the sanctioned scheme of arrangement by the Hon'ble NCLT, Chandigarh, clause 14 of the scheme extinguishes existing shareholding of the promoters. Therefore the Company ceases to be the subsidiary of Prakash Industries Limited.

AMOUNT CARRIED TO ANY RESERVE (IF ANY)

The Company transferred an amount of ₹10 Crores to its general reserve.

AMOUNT TRANSFERRED TO INVESTOR EDUCATION PROTECTION FUND

During the year under review and as per the sanctioned scheme of arrangement by NCLT, 79211 equity shares of the Company were allotted to IEPF on account of entitled shareholders whose shares were transferred to IEPF by Prakash Industries Limited (demerged company).

BOARD EVALUATION

During the year, the evaluation of the annual performance of individual Directors including the Chairman of the Company and the Independent Directors, Board and Committees of the Board was carried out under the provisions of the Act and relevant Rules and the Corporate Governance requirements as prescribed under Regulation 17 of Listing Regulations, 2015 and the circular issued by SEBI with respect to Guidance Note on Board Evaluation from time to time.

In a separate meeting of Independent Directors, performance of Non Independent Directors and performance of the Board as a whole was evaluated. Further, they also evaluated the performance of the Chairman of the Company, taking into account the views of the Executive Directors and Non-executive Directors.

NUMBER OF MEETINGS OF THE BOARD

The details of the Board Meetings and other Committee Meetings held during the financial year 2019-20 are given in the separate section of Corporate Governance Report.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declaration from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

FAMILIARISATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

In compliance with the requirements of Regulation 25(7) of the Listing Regulations, 2015, the Company has put in place a Familiarisation Programme for the Independent Directors to familiarise them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model etc.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

The following persons are the Key Managerial Personnel of the Company as per the provisions of Section 203 of the Companies Act, 2013.

i) Shri Kanha Agarwal, Managing Director and Chief Executive Officer*

ii) Shri Dalip Kumar Sharma, Chief Financial Officer

iii) Shri Pawan Kumar, Company Secretary

* Shri Kanha Agarwal was appointed as Managing Director and Chief Executive Officer in Board Meeting held on 9th August, 2019 and approved in Annual General Meeting held on 30th September, 2019.

Pursuant to Section 134 (3) (q) of the Companies Act, 2013, the Remuneration and other details of Key Managerial Personnel and other employees for the year ended 31st March, 2020 are detailed in Corporate Governance Report, annexed to this report.

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Shri Vikram Agarwal retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

BOARD COMMITTEES

All Committees of the Board of Directors are constituted in line with the provisions of the Companies Act, 2013 and applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In compliance with the requirements of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors have constituted a Corporate Social Responsibility Committee. The details of membership of the committee and the meetings held are detailed in the Corporate Governance Report, forming part of this Report.

The Annual Report on Corporate Social Responsibility activities is annexed to this report as Annexure I

FIXED DEPOSITS

Company has not accepted any deposits during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Companies Act,2013 (Act), the Board of Directors, to the best of their knowledge and ability, confirm that:

I. in the preparation of the annual accounts, the applicable standards have been followed and there are no material departures,

II. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period,

III. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities,

IV. they have prepared the accounts on a going concern basis,

V. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

VI.they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

AUDITORS & AUDITORS REPORTS

i) Statutory Auditor

M/s Chaturvedi & Co., Chartered Accountants, (FRN:302137E), were appointed as the Statutory Auditors of the Company for a period of five years at the 1st Annual General Meeting of the Company, upto the conclusion of the 6th Annual General Meeting of the Company. The Ministry of Corporate Affairs vide notification dated 7th May, 2018 has obliterated the requirement of seeking Members' ratification at every AGM on appointment of Statutory Auditors during their tenure of five years.

The Notes on financial statement referred to in the Auditors' Report are self–explanatory and therefore, do not call for any further explanation or comments from the Board under section 134(3) of the Companies Act, 2013.

ii) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s Pradip Kumar Muduli, Practicing Company Secretary to undertake the Secretarial Audit of the Company. The Secretarial Audit Reports are annexed herewith as Annexure II in prescribed format MR- 3 as per Companies Act, 2013 and as Annexure III as per prescribed format under SEBI Listing Regulations. The Secretarial Auditor has given observation as mentioned in his report.

CHANGES IN CAPITAL STRUCTURE

During the financial year 2019-20, there was no change in the capital structure of the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act 2013, if any, are given in the notes to the financial statements.

RELATED PARTY TRANSACTIONS [RPT]

The Company, during the financial year, entered into contracts or arrangements with related parties which were on arm's length basis. These transactions are not falling under the provisions of Section 188(1) of the Act. All RPT's are placed before the Audit Committee for review on a quarterly basis.

All related party transactions entered during the year were in ordinary course of business and on arm's length basis and the same have been disclosed under Note No. 39 of the Notes to Financial Statements.

No material related party transactions arising from contracts/ arrangements with related parties referred to in the Section 188(1) of the Companies Act, 2013 were entered during the year by the Company. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 and rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 is not applicable.

The Policy on materiality of related party transactions and dealing with related party transactions are available on the Company's website www.prakashplastics.in.

VIGIL MECHANISM AND WHISTLE BLOWER POLICY

To create enduring value for all stakeholders and ensure the highest level of honesty, integrity and ethical behaviour in all its operations, the Company has adopted voluntarily a 'Whistle Blower Policy'. The details of the Vigil Mechanism and Whistle Blower Policy are available on the website of the Company.

NOMINATION AND REMUNERATION POLICY

For the purpose of selection of any Director, the Nomination &

Remuneration Committee identifies persons of integrity who possess relevant expertise, experience and leadership qualities required for the position. The Committee also ensures that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Act, Listing Regulations, 2015 or other applicable laws.

The Board has voluntarily framed a policy for selection, appointment / reappointment and remuneration of Directors & Senior Management, which is available on the website of the Company.

EXTRACT OF 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, 2020 made under the provisions of Section 92(3) of the Act is available on the website of the Company.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, during the Financial year 2019-20 there was no employee drawing remuneration in excess of the limits set out in the said rules.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. During the financial year ended 31st March, 2020, no complaint pertaining to sexual harassment was received by the Company.

CORPORATE GOVERNANCE

Report on Corporate Governance and Certificate of Practicing Company Secretary regarding compliance of the conditions of Corporate Governance as stipulated in Part C of Schedule V of the Listing Regulations, 2015 with the Stock Exchanges, are enclosed as Annexure IV & V respectively to this report.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis on the operations of the Company as prescribed under Part B of Schedule V read with regulation 34 (3) of the Listing Regulations, 2015 is provided in a separate section in pages 14-21.

INTERNAL AUDIT AND INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

The Company believes that internal control is a prerequisite of the principle of Governance and that freedom should be exercised within a framework of checks and balances. The Company has a well-established internal control framework, which is designed to continuously assess the adequacy, effectiveness and efficiency of financial and operational controls. The management is committed to ensure an effective internal control environment, commensurate with the size and complexity of the business, which provides an assurance on compliance with internal policies, applicable laws, regulations and protection of resources and assets.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under the provisions of section 134 of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 a statement showing the information relating to Conservation of Energy, Research and Development, Technology Absorption and Foreign Exchange Earning and Outgo annexed as Annexure VI.

ACKNOWLEDGMENTS

Your Directors wish to thank all stakeholders, employees and business partners and Company's bankers for their continued support and valuable co-operation. The Directors also wish to express their gratitude to investors for the faith that they continue to repose in the Company.

By Order of the Board

Ved Prakash Agarwal
Chairman
DIN: 00048907

Date: 27th June, 2020
Place: New Delhi

ANNEXURE I

ANNUAL REPORT ON C.S.R. ACTIVITIES FOR FINANCIAL YEAR 2019-20

[RULE 8 OF THE COMPANIES(CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014]

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

   The Company has a framed a CSR Policy pursuant to provisions of Section 135 Companies Act, 2013 and Schedule VII of Companies Act, 2013, which is available on the website of the Company i.e. www.prakashplastics.in

2. The Composition of the CSR Committee

   a) Shri Vikram Agarwal - Chairman

   b) Dr. S.L. Keswani - Member

   c) Dr. S.C. Gosain - Member

3. Average net profit of the company for last three financial years

Amount (₹ in Lakhs)

Financial Year	2018-19	2017-18
	3874	-0.32
Total	3874	
Average Net Profit for CSR	1937	

4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) ₹38.74 Lakhs

5. Details of CSR spent during the financial year.

   The CSR expenditure was made on "Food for Life" a programme for eradicating hunger, poverty and malnutrition.

6. (a) Total amount to be spent for the financial year;- ₹38.74 Lakhs

7. (b) Amount unspent , if any; - NIL

8. (c) Manner in which the amount spent during the financial year is detailed below.

Amount (₹ in Lakhs)

1	2	3	4	5	6	7	8
	CSR projects or activities identified.	Sector in which the Project Is covered	Projects or programs 1) Local area or other 2) Specify the State and districts where projects or programs was undertaken	Amount outlay (budget) Project or Programs wise	Amount spent on the projects or programs Sub-heads: (I) Direct Expenditure on projects or programs- (2) Overheads:	Cumulative expenditure Upto the reporting Period	Amount spent: Direct or through implementing agency
1	Poverty & Malnutrition	Mid day meal scheme Schedule vii(i)	Delhi NCR	38.74	Direct Expenditure	38.74	Direct
	TOTAL			38.74		38.74	

In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. N.A.

On behalf of the CSR Committee, Chairman of the Committee Shri Vikram Agarwal confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company

Kanha Agarwal
Managing Director & C.E.O.

Vikram Agarwal
Chairman (CSR Committee)

ANNEXURE II

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and ruleNo.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Prakash Pipes Limited
Darjiyan Wali Gali, Rayya Teh-Baba Bakala,
Amritsar-143112 (Pb.)

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Prakash Pipes Limited (CIN: L25209PB2017PLC046660) (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Pursuant to Scheme of Arrangement (Demerger) under Section 230 to 232 of the Companies Act 2013 between Prakash Industries Limited (Demerged Company) and Prakash Pipes Limited (Resulting Company), the NCLT, Chandigarh on 14/03/2019 had approved the said Scheme of Arrangement (Demerger) with appointed date of 01 April 2018. Both Prakash Industries Limited (Demerged Company) and Prakash Pipes Limited (Resulting Company) took appropriate steps to give effect to the Demerger including the process of allotting shares to the shareholders' Prakash Industries Limited by Prakash Pipes Limited and listing of the Company. Accordingly the Company was listed on stock exchanges on 14/06/2019.

Based on my verification of the Prakash Pipes Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to me and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Prakash Pipes Limited ("the Company") for the financial year ended on 31st March 2020 according to the applicable provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under except;

The Charge created 29/09/2019 on two vehicle loans taken from Kotak Mahindra Prime Limited have not been Filed/ Registered with Registrar of Companies.

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time;

(d) Other laws applicable specifically to the company as per the representation made by the Management including

i) Air (Prevention and Control of Pollution) Act, 1981

ii) Water (Prevention and Control of Pollution) Act, 1974 and Water (Prevention and Control of Pollution) Rules, 1975

iii) Environment Protection Act, 1986

iv) Factories Act, 1948

For the compliances of General Laws my examination and reporting is based on the documents, records and files as produced and shown to me and the information and explanations provided by the Company, its officers, and authorised representatives, including compliance reports taken on record by the Board of Director, to the best of my judgment and understanding of the applicability of the different enactments upon the Company, in my opinion there are adequate systems and processes exist in the Company to monitor and ensure compliance with applicable General laws and Labour Laws.

I have also examined compliance with the applicable clauses of the following:

(i) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;

(ii) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

I further report that there were no actions/event in pursuance of:

(a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not applicable to the Company as it's not registered as Registrar to Issue and Share Transfer Agents during the audit period);

During the period under review and as per the explanations and clarifications given to me and the representation made by the Management, the Company has complied with the provisions of the applicable laws, rules, regulations and guidelines, etc as mentioned above except in the following instances my observations are as under:

1. There was delay in submitting Shareholding Pattern for Quarter ending March 2020 which is required to be submitted by15th May 2020 Regulation 31 of SEBI(LODR) and it was submitted on 3rd June 2020. The Company has paid required fines imposed by NSE & BSE.

The Company has spent an amount of ₹38.74 Lakhs against the amount of ₹38.74 Lakhs to be spent during the year towards Corporate Social Responsibility.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except notes on items of business which are in the nature of Unpublished Price Sensitive Information have been given at a shorter period of time than stated above, with the consent of a majority of the Directors, which includes one Independent Director and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decision were unanimous and no dissenting views were recorded.

I further report that as per the explanations given to me and the representation made by the Management and relied upon by me there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines etc.

I further report that during the audit period the Company no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

Pradip Kumar Muduli
(Practising Company Secretary)
FCS No.6170
C P No.:5730
UDIN: F006170B000389951

Place : New Delhi
Date : 27th June, 2020

Note : This report is to be read with my letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

ANNEXURE A

To,
The Members,
Prakash Pipes Limited
Darjiyan Wali Gali, Rayya Teh-Baba Bakala,
Amritsar-143112 (Pb.)

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Pradip Kumar Muduli
(Practicing Company Secretary)
FCS No.6170
C P No.:5730
UDIN: F006170B000389951

Place : New Delhi
Date : 27/06/2020

ANNEXURE III

Secretarial compliance report of Prakash Pipes Limited
(CIN: L25209PB2017PLC046660)
for the Financial year ended 31st March, 2020.- Listed wef 14/06/2019.

To,
Prakash Pipes Limited
Regd. Off: Darjiyan Wali Gali, Rayya Teh-Baba Bakala,
Amritsar-143112 (Pb.)

I Pradip Kumar Muduli, Practicing Company Secretary have examined:

(a) all the documents and records made available to me and explanation provided by Prakash Pipes Limited ("the listed entity"),

(b) the filings/ submissions made by the listed entity to the stock exchanges,

(c) website of the listed entity,

(d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the financial period ended 31st March 2020 ("Review Period 14/06/2019 - being the date of Listing upto 31/03/2020 ") in respect of compliance with the provisions of :

(a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

(b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not attracted during the period under review.**

(e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;) **Not attracted during the period under review.**

(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not attracted during the period under review.**

(g) Securities and Exchange Board of India(Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations,2013; **Not attracted during the period under review.**

(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not attracted during the period under review.**

(j) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; **Not attracted during the period under review;** and circulars/ guidelines issued thereunder;

and based on the above examination, I hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

S. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	Regulation 31 of SEBI (LODR) relating to Shareholding Pattern for Quarter ending March 2020 required to be submitted to the Stock Exchanges by15th May 2020.	There was delay in submission of Shareholding Pattern for Quarter ending March 2020 to the Stock Exchanges NSE & BSE which was done on 3rd June 2020.The Company paid fine of ₹37,760 to NSE and ₹37,760 to BSE.	As per explanation given by the management of the Company the delay was due to closing of office for COVID-19 virus pandemic and the Company has paid applicable fine to the Stock Exchanges.

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records.

(c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

S. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
1.	Stock Exchanges NSE & BSE	Delay in submission of Shareholding Pattern for Quarter ending March 2020	The Company paid fine of ₹37,760 to NSE and ₹37,760 to BSE.	As per explanation given by the management of the Company the delay was due to closing of office for CoVID -19 virus pandemic and the Company has paid applicable fine to the Stock Exchanges.

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

This being the first reporting since the listing of securities of the Company, reporting on actions to comply with the observations made in the previous reports do not arise;

Pradip Kumar Muduli
FCS No.:6170, CP :5730
UDIN: F006170B000389971

Place: New Delhi
Date : 27/06/2020

ANNEXURE IV

REPORT ON CORPORATE GOVERNANCE

1. BRIEF STATEMENT ON COMPANY'SPHILOSOPHY ON CORPORATE GOVERNANCE

Good governance practices stem from the value system and philosophy of the organization and at Prakash Pipes Limited, your Company is committed to optimize shareholder returns, governance processes and an entrepreneurial, performance focused, conducive work environment.

The Board is collectively responsible to ensure that Corporate Governance processes are structured to direct the Company's actions to achieve this purpose, while complying with the Code of Governance.

2. BOARD OF DIRECTORS

a) **Composition**

As on 31st March, 2020, the Board of Prakash Pipes Ltd. comprised 6 Directors represented by 1(one) Chairman, 1(one) Managing Director & C.E.O., 1 (one) Director (Non-Executive) and 3(three) Independent Directors.

b) **Confirmation relating to independent Directors**

It is confirmed that in the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI (LODR)

Regulations, 2015 and amendment made thereof and are Independent of the Management of the Company

c) **Attendance of each Director at the Board meetings & last Annual General Meeting during the year 2019-20 and number of other Directorships and committee memberships/ chairmanships held in other Companies:**

S. No.	Name of Directors and their DIN	Category	No. of Board Meetings Attended	Last AGM Attended	No. of Directorships held in other Companies		No.ofCommittee positions heldin otherCompanies	
					Chairman	Director	Chairman	Member
1.	Shri V.P. Agarwal Chairman DIN:00048907	Non-Executive/ Promoter	5	No	1	6	1	–
2.	Shri Kanha Agarwal* Managing Director & C.E.O. DIN:06885529	Executive & Promoter	4	No	–	8	-	1
3.	Shri Vikram Agarwal Director DIN:00054125	Non-Executive / Promoter	5	No	–	6	3	3
4	Dr. S.L. Keswani DIN:00190790	Non-executive & Independent	5	No	–	4	–	–
5.	Smt. Parveen Gupta DIN:00180678	Non-executive & Independent	5	Yes	–	3	–	–
6.	Dr. S. C. Gosain DIN:08202130	Non-executive & Independent	5	No	–	1	–	1

* Resigned w.e.f. 22nd May, 2019 and again re-appointed w.e.f. 9th August, 2019

d) **Core Skills/Expertise/Competencies available with the Board**

The Board comprises qualified members who possess required skills, expertise and competence that allow them to make effective contribution to the Board and its Committees.

The following skills/expertise/competencies have been identified for the effective functioning of the Company and are currently available with the Board:

1. Industry Knowledge/experience
   a. Industry experience
   b. Knowledge of Sector
   c. Knowledge of Government/Public Policy
2. Technical Skills/experience
   a. Projects
   b. Accounting
   c. Finance
   d. Law
   e. Marketing Experience
   f. Public Relations

e) Disclosure of relationship between Directors inter-se:

Shri V. P. Agarwal, Chairman is related to Shri Kanha Agarwal, Managing Director &C.E.O. and Shri Vikram Agarwal, Director as their father. Shri Vikram Agarwal and Shri Kanha Agarwal are related to each other as brothers. Apart from that, there are no relationships existing among other Directors of the Company.

f) No. of Board Meetings

In the financial year 2019-20, the Board met five times. The meetings were held on 24th April, 2019, 22th May, 2019, 9th August, 2019, 31st October, 2019 and 12th February, 2020. The Interval between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and the Listing Regulation.

Details of the Board meetings are as under:

S. No.	Date of Board Meeting	Board Strength	No. of Directors present
1.	24.04.2019	6	6
2.	22.05.2019	5	5
3.	09.08.2019	6	6
4.	31.10.2019	6	6
5	12.02.2020	6	6

g) Meetings of Independent Directors

The Company's Independent Directors met on 12th February, 2020 in financial year 2019-20 without the presence of Executive Directors or management personnel to discuss matters pertaining to the Company's affairs and put forth their views. The Chairman of meeting had taken appropriate steps to present Independent Directors' views to the Chairman and Managing Director of the Company. During the year, one meeting of the Committee was held on 12th February, 2020 and all members of the Committee had attended the meeting.

Performance evaluation criteria for independent Directors: Performance evaluation of Independent Directors shall be done on annual basis. The rating shall be provided by all the Directors except the Independent Director being evaluated. The evaluation criteria shall be reviewed by the Nomination and Remuneration Committee and the Board from time to time and shall be subject to the provisions of SEBI (LODR) Regulations, 2015 and the Companies Act, 2013 and rules made thereunder and amendments thereto from time to time.

h) Details of shareholding of non-executive Directors in the Company as on 31st March, 2020

S.No.	Name of Director	No. of shares held
1.	Shri V.P. Agarwal	65860
2.	Shri Vikram Agarwal	50812
3.	Dr. S.L. Keswani	Nil
4.	Dr. S. C. Gosain	Nil
5.	Smt. Parveen Gupta	Nil

i) The policy for conducting familiarization programme for Independent Directors has been disclosed and can be accessed on the Company's website www.prakashplastics.in

3. AUDIT COMMITTEE

i) Terms, composition, names of members and chairperson

The terms of reference of the Committee cover the matters specified for the Audit Committee under Regulation 18 of SEBI (LODR) Regulations, 2015 and as per Section 177 of the Companies Act, 2013.

During the year Board of Directors has reconstituted the Audit Committee. The Committee comprises of three members and majority of them are Independent Directors. Smt. Parveen Gupta (Non-Executive and Independent Director) is the Chairperson of the Audit Committee and Dr. S.L. Keswani (Non-Executive and Independent Directors), Shri Vikram Agarwal (Non-Executive Director) are members of the Audit Committee.

ii) No. of Audit Committee Meetings

The Audit Committee met four times during the financial year 2019-20 on 24th April, 2019, 9th August, 2019, 31st October, 2019 and 12th February, 2020 and attendance was as under.

S.No.	Name of Director	Status	Meetings Attended
1.	Smt. Parveen Gupta	Chairperson	4
2.	Dr. S.L. Keswani	Member	4
3.	Shri Vikram Agarwal	Member	4

Audit Committee meetings are also attended by representative of Internal Auditors and Managing Director of the Company who are permanent invitees for the meeting. Company Secretary acts as Secretary of the Audit Committee.

4. NOMINATION AND REMUNERATION COMMITTEE

i) Terms, composition, names of members and chairman

The terms of reference of Nomination and Remuneration Committee cover the matters specified for the said Committee under Regulation 19 & Part D of Schedule II of SEBI (LODR) Regulations, 2015 and as per Section 178 of the Companies Act, 2013.

During the year Board of Directors has reconstituted the Nomination and Remuneration Committee comprises of Dr. S.L. Keswani (Non-Executive and Independent Director) as the Chairman and Dr. S.C. Gosain and Smt. Parveen Gupta (All Non-Executive and Independent Directors) as members of the Nomination and Remuneration Committee of the Board of Directors.

The Nomination and Remuneration Committee met one time during the financial year 2019-20 on 22nd May, 2019 and 9th August, 2019 and attendance was as under.

S.No.	Name of Director	Status	Meetings Attended
1.	Dr. S. L. Keswani	Chairperson	2
2.	Smt. Parveen Gupta	Member	2
3.	Dr. S.C. Gosain	Member	2

5. DETAILS OF REMUNERATION / SITTING FEE PAID TO DIRECTORS FOR THE PERIOD FROM 1ST APRIL, 2019 TO 31ST MARCH, 2020:

a) Pecuniary Relationship

Independent Directors viz. Dr. S.L. Keswani, Dr. S.C. Gosain and Smt. Parveen Gupta, do not have any pecuniary relationships or transactions with the Company except for the sitting fees drawn for attending the meetings of the Board and Committee(s) thereof.

b) The remuneration criteria of making payments to Non-Executive Directors has been disclosed and it can be accessed on the Company's website www.prakashplastics.in.

(₹ in Lakhs)

S.No.	Name of Director	Salary	Perquisites	Sitting Fee
1.	Shri V. P. Agarwal	Nil	Nil	N.A.
2.	Shri Vikram Agarwal	Nil	Nil	N.A.
3.	Shri Kanha Agarwal	Nil	Nil	N.A
4.	Dr. S. L. Keswani	Nil	Nil	1.62
5.	Dr. S.C. Gosain	Nil	Nil	1.00
6.	Smt. Parveen Gupta	Nil	Nil	1.37

c) Details of Service Contracts of Directors:

S. No.	Name of Director	Period of Contract	Date of appointment / Re-appointment	Notice Period
1.	Shri Kanha Agarwal	3 years	09.08.2019	N.A.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board of Directors had re-constituted the Stakeholders Relationship Committee comprises of Smt. Parveen Gupta (Non-Executive and Independent Director), as Chairperson of the Committee, Dr. S.L. Keswani (Non-Executive and Independent Director) and Shri Vikram Agarwal, Non- Executive Director as members of the Committee.

The Committee is entrusted with the responsibility of addressing the shareholders/ Investors' complaints with respect to transfer of shares, non-receipt of Annual Report and non-receipt of dividend etc.

The Stakeholders Relationship Committee met two times during the financial year 2019-20 on 28th June, 2019 and 12th February, 2020 and attendance was as under.

S.No.	Name of Director	Status	Meetings Attended
1.	Smt. Parveen Gupta	Chairperson	2
2.	Dr. S. L. Keswani	Member	2
3.	Shri Vikram Agarwal	Member	2

Compliance Officer: Shri Pawan Kumar Company Secretary

No. of shareholders/ investors complaints received upto 31st March, 2020 : 10

No. of complaints not solved to the satisfaction of Shareholders / investors : Nil

No. of pending complaints : Nil

The Company has created an exclusive e-mail ID viz. pplho@prakash.com for the help of investors

7. OTHER COMMITTEES

a) SHARE ALLOTMENT & TRANSFER COMMITTEE

The Committee consists of Shri Vikram Agarwal, Non-Executive Director of the Company as Chairman and Dr. S.L. Keswani & Dr. S.C. Gosain Independent Director as member of the Committee.

The Committee meets frequently /as and when required to approve the transfer and transmission of shares, issue of duplicate share certificates, consolidation and subdivision of shares, etc. The Company complies with the requirements of the SEBI (LODR) with respect to non-transfer of physical shares. The requisite certificates are sent to the transferees within the prescribed time. The stipulations of depositories regarding demat / remat etc. are also complied with Compliance Officer:

As required by the Stock Exchanges, the Company has appointed Shri Pawan Kumar, Company Secretary of the Company as Compliance Officer to monitor the transfer & transmission process and liaison with the regulatory authorities.

b) CORPORATE SOCIAL RESPONSIBILITY AND GOVERNANCE COMMITTEE

The Board has constituted the Corporate Social Responsibility Committee (CSR Committee) comprising Shri Vikram Agarwal, as Chairman and Dr. S.L. Keswani and Dr. S.C. Gosain as members. The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities. The Annual Report on CSR expenditure as per Rule 8 of the Companies (CSR Policy) Rules, 2014 is annexed (Annexure-A) with this report.

The Committee met once during the financial year 2019-20 on 12th February, 2020 and attendance of members at the meeting was as follows:

S.No.	Name of Director	Status	Meetings Attended
1.	Shri Vikram Agarwal	Chairperson	1
2.	Dr. S.L. Keswani	Member	1
3.	Dr. S.C. Gosain	Member	1

8. GENERAL BODY MEETINGS

Details of Annual General Meetings (AGM) and Extra-ordinary General Meetings (EGM) of the Company held during the last three Financial Years, which were held at the Registered Office of the Company:

Year	Date & Time	Details of Special Resolutions
2018-19 (AGM)	30.09.2019 at 4.00 P.M.	Approval of appointment of Dr. Satram Lokumal Keswani (DIN : 00190790) as an Independent Director of the Company
2018-19 (EGM)	25.03.2019 at 11.30 A.M. (EGM)	To alter the Articles of Association of the Company. To borrow money and create securities under the provisions of Section 180 of the Companies Act, 2013. To provide guarantee and / or make investment in other body corporate.
2017-18 (AGM)	21.07.2018 at 10.30 A.M (AGM)	No Special Resolution was passed

Special Resolution passed through Postal Ballot

No special resolution was passed through postal ballot during the financial Year 2019-20. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

9. MEANS OF COMMUNICATIONS

The Board of Directors approves and takes on record the quarterly / half yearly and annual results of the performance of the Company which are published in English and Hindi language newspapers. The results are sent to the Stock Exchanges (BSE & NSE) on which the shares of the Company are listed in the prescribed format so as to enable the respective stock exchanges to put the same on their own Website. The results are also displayed on the Company's Website viz. www.prakashplastices.in.The results are also sent to shareholders through email whose email addresses are available. The Notice of AGM/EGM alongwith the Annual Report/Notice of EGM are sent to the shareholders well in advance of the AGM/ EGM. The stock exchanges are notified of any important developments. Management Discussion & Analysis report which forms part of the Annual Report is attached to the

Directors Report and sent to the shareholders.

NSE Electronic Application Processing System (NEAPS):
The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

BSE Corporate Compliance & Listing Centre (the "Listing Centre"):
BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

SEBI Complaints Redress System (SCORES):
The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

10. GENERAL SHAREHOLDERS' INFORMATION

a) **Company Registration Details**

The Company is registered in the State of Punjab, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L25209PB2017PLC046660.

b) **Annual General Meeting:**

Date & Time: 30th September, 2020 at 12.30 p.m.

Venue : Through Video Conferencing (VC) / Other Audio Visual means (OVAM)

c) **Financial Calendar for 2020-21:**

i) First quarter results upto 14th August, 2020

ii) Second quarter results upto 15th November, 2020

iii) Third quarter results upto 15th February, 2021

iv) Fourth quarter/Annual results upto 15th /30th May, 2021

d) **Market Price Data :**

Market price of Company's Equity Share of ₹10 each during the year from 14th June, 2019 (i.e. date of listing on stock exchanges) to March 31, 2020 at BSE Ltd. and National Stock Exchange (NSE) are given below:

(₹)

	BSE		NSE	
Month	Highest	Lowest	Highest	Lowest
June, 2019	109.35	86.35	109.25	85.50
July, 2019	93.15	67.00	93.15	67.35
August, 2019	73.70	60.60	74.00	61.00
September,2019	80.35	64.00	79.70	63.30
October, 2019	73.95	61.05	74.00	60.05
November, 2019	85.60	70.00	86.00	70.30
December, 2019	76.60	65.25	76.75	65.00
January, 2020	75.00	57.00	75.00	56.00
February, 2020	63.85	50.75	64.25	50.45
March, 2020	55.70	21.40	57.60	21.60

e) Distribution of Shareholding (as on 31st March, 2020)

No. of Equity Shares held	No. of Share Holders	% of Share Holders	No. of Shares	% of Share Holding
Upto 5000	71559	96.88	2984780	14.62
5001 - 10000	1078	1.46	793875	3.89
10001 - 20000	582	0.79	825002	4.04
20001 - 30000	190	0.26	473220	2.32
30001 - 40000	93	0.13	321265	1.57
40001 - 50000	55	0.07	241628	1.18
50001 - 100000	143	0.19	923451	4.52
100001 – above	166	0.22	13855133	67.86
Total	73866	100.00	20418354	100.00

f) Shareholding Pattern (as on 31st March, 2020)

Category	No. of Shares	% of Shares
Promoter & Promoter Group	8036358	39.36
Mutual Fund / UTI	5860	0.03
Financial Institutions / Banks	476	0.00
Insurance Companies	37	0.00
Foreign Institutional Investors	318017	1.56
Bodies Corporate etc.	4521923	22.14
NRIs/OBCs	212068	1.04
Public (Individuals)	7323615	35.87
Total	20418354	100.00

g) Registrar and Transfer Agent

The Company is doing transfer / split / consolidation / transmission of shares held by shareholders in physical form as well as demat / remat of shares "in-house" since it has got electronic connectivity with both National Securities Depositories Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL)

h) Share Transfer System

As per SEBI guideline issued vide Press Release no. 12/2019 dated 27th March, 2019, the transfer of shares in physical form were prohibited with effect from 1st April 2019.

i) Dematerialisation of Shares :

The Company has arrangements with both National Securities Depositories Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and got electronic connectivity of shares for scripless trading. As on 31st March, 2020; 98.95% of Equity Shares of the Company were held in dematerialized form.

j) Listing Fee :

The Company has paid the listing fees upto the year 2020-21 of BSE Ltd. and National Stock Exchange of India Ltd. where the shares of the Company are listed and traded.

k) Outstanding Foreign Currency Convertible Bonds (FCCB) :

The outstanding FCCB as on 31st March, 2020 of Prakash Industries Limited (demerged company) is 11.45 Million US$.

Accordingly, Prakash Pipes Limited is bound to issue 950901 equity shares to Bondholders of Prakash Industries Limited on conversion of FCCB.

l) Plant Locations :

5 Km. Stone, Moradabad Road
Kashipur, Udham Singh Nagar
Uttarakhand-244713

o) Address for Correspondence and for Share Transfer and related matters:

Prakash Pipes Ltd.
SRIVAN, Bijwasan, New Delhi –110061.
Ph.: (011) - 25305800
Fax.: (011) - 28062119
Website: www.prakashplastics.in

11. OTHER DISCLOSURES

a) None of the transactions with any of related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in Note No. 39 of Standalone Financial Statements, forming part of the Annual Report. All related party transactions are negotiated on arm's length basis and are intended to further in the Company's interests.

The Company has disclosed the related party transactions in Notes on Accounts in the Balance Sheet. The same are not in potential conflict with the interest of the Company at large.

b) There has been no instance of non-compliance by the Company on any matter related to capital markets during last three years, and hence, no penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any other statutory authority.

c) The details of establishment of Vigil Mechanism & Whistle Blower Policy can be accessed on the Company's website www.prakashplastics.in. Further it is affirmed that there is a proper policy to look into the grievances of the personnel of the Company and no person has been denied access to the Audit Committee.

d) The Policy for determining "Material Subsidiaries" can be accessed on company's website www.prakashplastics.in

e) The Policy on dealing with related party transactions can be accessed on company's website www.prakashplastics.in.

f) There has been no instance of non-compliance by the Company on any requirement of Corporate Governance report as per Para C of Schedule V of SEBI (LODR), Regulations, 2015.

g) The Company has adopted and fulfilled the disclosure requirements in compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (LODR) Regulations, 2015.

12. DISCLOSURE ABOUT UTILISATION OF FUND RECEIVED FROM PREFERENTIAL ALLOTMENT UNDER REGULATION 32 (7A) OF SEBI (LODR) REGULATIONS, 2015

The Company has not made any preferential allotment under Regulation 32(7A) of SEBI (LODR) Regulations, 2015

13. CODE OF CONDUCT

The Company has adopted a Code of Conduct for all Directors and Senior Management personnel including functional heads of the Company. The essence of the code is to conduct the business of the Company in honest and ethical manner in compliance with applicable laws. The Code of Conduct has been posted on the website of the Company. All the Board members and Senior Management personnel including functional heads of the Company have affirmed compliance with the Code of Conduct. A declaration signed by the CEO and CFO is given below:

"In terms of Para D of Schedule V of SEBI (LODR) Regulations 2015, it is hereby declared that all the Directors and Senior Management personnel including functional heads have affirmed compliance of the Code of Conduct of the Company for the financial year 2019-20"

Kanha Agarwal
Managing Director
& Chief Executive Officer

Dalip Kumar Sharma
Chief Financial Officer

Place : New Delhi
Date : 27th June, 2020

14. A certificate has been received from Pradip Kumar Muduli, Practising Company Secretary, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority except Mr. Kanha Agarwal (DIN : 06885529) & Mr. Satram Lokumal Keswani (DIN : 00190790) who have been disqualified u/s.164(2) of the Companies Act 2013 by Ministry of Corporate Affairs and the Hon., Delhi High Court has granted stay vide its orders Dt.28/05/2019 and Dt.23/10/2018 to Mr. Kanha Agarwal & Mr.Satram Lokumal Keswani respectively. The matter is sub-judice.

15. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year : NIL

b) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year : NIL

c) Number of shareholders to whom shares were transferred from suspense account during the year : NIL

d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year : NIL

e) Aggregate number of shares in fractional shares account (Due to scheme of Demerger of Prakash Industries Limited)-35499

ANNEXURE V

PRACTICING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Prakash Pipes Limited
Regd. Off: Darjiyan Wali Gali, Rayya Teh-Baba Bakala,
Amritsar-143112 (Pb.)

1. I have examined the compliance of the conditions of Corporate Governance by Prakash Pipes Limited ('the Company')-CIN L25209PB2017PLC046660 for the period ended on March 31, 2020 ("Review Period 14/06/2019 - being the date of Listing upto 31/03/2020 "), as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

   The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. The provisions of the regulations of Corporate Governance become applicable to the Company w.e.f. 14/06/2019 i.e. the date of listing and the Company was required to comply with the requirements w.e.f. from the said date.

2. I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. Two Directors of the Company i.e. Mr. Kanha Agarwal (DIN-06885529) & Mr.Satram Lokumal Keswani (DIN 00190790) who have been disqualified u/s.164(2) of the Companies Act 2013 by Ministry of Corporate Affairs, the Hon., Delhi High Court has granted stay vide its orders Dt.28/05/2019 and Dt.23/10/2018 for Mr. Kanha Agarwal & Mr.Satram Lokumal Keswani respectively. The matter is Sub-Judice.

3. In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Management and as stated in paragraph 2 above, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2020.

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

Pradip Kumar Muduli
FCS No.:6170, CP :5730
UDIN: F006170B000389971

Place: New Delhi
Date : 27/06/2020

ANNEXURE VI

INFORMATION IN ACCORDANCE WITH THE PROVISIONS OF SECTION 134(3) (m) OF THE COMPANIES ACT 2013; READ WITH RULE 8 OF COMPANIES (ACCOUNTS) RULES 2014 REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FORIEGN EXCHANGE EARNINGS AND OUTGO FOR THE YEAR ENDED 31ST MARCH, 2020

A) CONSERVATION OF ENERGY

I) STEPS TAKEN FOR IMPACT ON CONSERVATION OF ENERGY- NIL

PVC Pipes & Fittings Division - NIL

Packaging Division - NIL

II) STEPS TAKEN BY THE COMPANY FOR UTILIZING ALTERNATE SOURCES OF ENERGY- NIL

III) CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPEMENTS

S.No	PROJECT TITLE	₹ in Lakhs
1.	NIL	NIL

B) TECHNOLOGY ABSORPTION

(i) EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION- NIL

(ii) THE BENEFITS DERIVED LIKE PRODUCT IMPROVEMENT, COST REDUCTION, PRODUCT DEVELOPMENT OR IMPORT SUBSTITUTION

A. PVC Pipes & Fittings Division

Project Title	Benefits derived
NIL	NIL

B. Flexible Packaging Division

Project Title	Benefits derived
VFD Drive	0.4 Lakh

INFORMATION REGARDING IMPORTED TECHNOLOGY (LAST THREE YEARS)

Sr. No.	TECHNOLOGY IMPORTED	YEAR OF IMPORT	STATUS
Nil	Nil	N.A.	N.A.

WHETHER THE TECHNOLOGY FULLY ABSORBED –N.A.

EXPENDITURE ON RESEARCH AND DEVELOPMENT (R&D)- NIL

FOREIGN EXCHANGE EARNINGS AND OUTGO

a) **Activities relating to Exports and Export Plans:** The Company during the financial year ended 31st March 2020 has made a business plan to export its products. Accordingly, to begin with, the Company started to export its packaging products to Nepal. In the financial year 2020-21 the Company is planning to explore more avenues for increasing its export revenue.

b) **Total foreign exchange used and earned:**

		This Period (₹ in Lakhs)	Previous Period (₹ in Lakhs)
i)	Foreign exchange used	NIL	NIL
ii)	Foreign exchange earned	229.81	NIL

Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the members

OF PRAKASH PIPES LIMITED

Report on the Audit of the Financial Statements

OPINION

We have audited the accompanying financial statements of Prakash Pipes Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

S. NO	Key Audit Matters	Auditor's Response
1	Coronavirus disease 2019 ('COVID-19'), was declared a global pandemic by World Health Organization. In line with the directions on lockdown issued by the State Governments of Uttarakhand, the Company were not continued in operation of its manufacturing both units from 23rd March 2020 till 31 March 2020; and subsequently upto further dates as instructed by the State Governments.	We have performed the following procedures to assess and evaluate the impact on financial statements because of business decisions, government actions or economic environment developments: • Performed cut-off procedures to ensure sale (if any) during the lockdown period. • Enquired with the Company on any information on the liquidity position of any dealers; and ascertained the need for any additional provisioning for impairment/credit loss in the financial statements. • We assessed the disclosures on COVID-19 made in the financial statements.

(Continued)

S. NO	Key Audit Matters	Auditor's Response
	However, the regular audit procedures has been impacted and we have to follow alternate procedure and exercise significant judgment to complete the audit.	• Our ability to perform regular audit procedures has been impacted which has required us in certain cases to perform alternative audit procedures and exercise significant judgment in respect of the following: a) Audit and quality control procedures which were earlier performed in person could not be performed; and hence alternative procedures have been performed based on inquiries (through phone calls, and e-mail communications) and review of scanned documentation sent through e-mails, followed up with sighting with original documents. b) Year-end inventory observation of inventory counts could not be performed. However, inventory counts were observed subsequent to year-end; and rolled back to year-end.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.

h) With respect to other matters to be included in the auditor's report under section 197(16)

In our opinion and according to the information and explanation given to us, the remuneration paid/payable during the current year by the company to its directors in accordance with the previous the provision of section 197 of the act.

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

    i. The Company does not have pending litigations on its financial position in its financial statements.

    ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

    iii. There has been no delay in transferring amount required to be transferred, to the Investor Education and protection Fund by the Company during the year.

For CHATURVEDI & CO.
Chartered Accountants
Firm Registration No. 302137E

PANKAJ Chaturvedi
Partner
Membership No. 091239

New Delhi
June 27, 2020

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of PRAKASH PIPES LIMITED of even date)

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the registered sale deed and lease agreement provided to us, the title deeds, comprising all freehold immovable properties of land and buildings and leasehold land are held in the name of the Company.

ii. According to the information and explanation given to us, the management has conducted physical verification of inventory at reasonable intervals during the year. The discrepancies noticed on verification between physical inventory and book records were not material and have been properly dealt with in the book of account.

iii. According the information and explanations given to us, the Company has granted unsecured loans to a body corporate, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments of principal amounts and interest have been regular as per stipulations.

(c) There is no overdue amount remaining outstanding as at the year-end.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v. According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under during the year. Accordingly, the provisions of Para 3 (v) of the Order are not applicable to the Company.

vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Rules made by the Central Government under sub-section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of these records with a view to determining whether they are accurate or complete.

vii. (a) According to information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employee's state insurance, income tax, goods and service tax, duty of customs, cess and any other material statutory dues applicable to it with the appropriate authorities except advance income tax of ₹275.78 Lakhs is pending to be deposited since more than six months.

(b) According to the information and explanations given to us and the records of the Company examined by us, there were no outstanding dues in respect of provident fund, employee's state insurance, income tax, goods and service tax, duty of customs, cess and other material statutory dues which as at March 31, 2020 have not been deposited on account of any dispute.

vii. According to the information and explanations given to us, there is no loan or borrowing taken from Government and has not been issued debenture during the year. The Company has not defaulted in repayment of loans or borrowing to bank.

ix. According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans have been applied for the purposes for which raised.

x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees have been noticed or reported during the year.

xi. According to the information and explanations given to us and based on the audit procedures conducted by us, the managerial remuneration paid or provided during the year is in accordance with the requisite approval mandated by the provision of section 197 of the act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of Para 3 (xii) of the Order are not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us, the Company has, during the year, made allotment of Equity shares to the stakeholder in pursuant of demerger taken place in the previous year. The Company has not made any preferential allotment or private placement of fully or partly convertible debenture during the year. The requirements of section 42 of the Companies Act, 2013 have been complied with by the Company to the extent applicable.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For CHATURVEDI & CO.
Chartered Accountants
Firm Registration No. 302137E

PANKAJ Chaturvedi
Partner
Membership No. 091239

New Delhi
June 27, 2020

Annexure B referred to in Independent Auditor's Report of even date to the members of PRAKASH PIPES LIMITED ("the Company") on the financial statements for the year ended March 31, 2020

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of PRAKASH PIPES LIMITED ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India and applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For CHATURVEDI & CO.
Chartered Accountant
Firm Registration No. 302137E

PANKAJ CHATURVEDI
Partner
Membership No. 091239

New Delhi
June 27, 2020

Balance Sheet as at 31st March, 2020

₹ in Lakhs

Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
I. ASSETS			
(1) Non Current Assets			
(a) Property, Plant and Equipment	4	5,471	4,326
(b) Capital Work-in-progress	4	8	38
(c) Financial Assets			
(i) Other Financial Assets	5	110	82
(d) Other Non Current Assets	6	151	77
(e) Deferred Tax Assets(Net)	7	2,287	2,109
		8,027	6,632
(2) Current Assets			
(a) Inventories	8	2,956	1,738
(b) Financial Assets			
(i) Trade Receivables	9	4,319	3,163
(ii) Cash and Cash Equivalents	10	97	71
(iii) Bank Balance other than (ii) above	11	1,083	-
(iv) Loan	12	-	1,020
(v) Other Financial Assets	13	672	398
(c) Other Current Assets	14	723	1,031
		9,850	7,421
TOTAL ASSETS		17,877	14,053
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	15	2,042	2,042
(b) Other Equity	16	11,192	8,875
		13,234	10,917
LIABILITIES			
(1) Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	38	13
(ii) Non Current Liabilities	18	10	14
(b) Provisions	19	226	206
		274	233
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	467	-
(ii) Trade Payables	21		
a) Total outstanding dues of Micro Enterprises and Small Enterprises		445	463
b) Total outstanding due of creditors other than Micro Enterprises and Small Enterprises		1,444	1,146
(iii) Other Financial liabilities	22	805	213
(b) Other current Liabilities	23	50	188
(c) Provisions	24	91	65
(d) Current tax Liabilities(Net)	25	1,067	828
		4,369	2,903
TOTAL LIABILITIES		4,643	3,136
TOTAL EQUITY AND LIABILITIES		17,877	14,053

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For **Chaturvedi & Co.**
Chartered Accountants
Firm Registration No.302137E

For and on behalf of the Board

Pankaj Chaturvedi
Partner
M.No.091239

Vikram Agarwal
Director
DIN:00054125

Kanha Agarwal
Managing Director
DIN:06885529

Pawan Kumar
Company Secretary
M.No.FCS 7951

Dalip Kumar Sharma
Chief Financial Officer

New Delhi
27th June,2020

Statement of Profit and loss for the year ended 31st March, 2020

₹ in Lakhs

Particulars	Note No.	For the year ended 31st March, 2020	For the period ended 31st March, 2019
INCOME			
Revenue from operations	26	38,514	34,096
Other Income	27	407	459
Total Income		**38,921**	34,555
EXPENSES			
Cost of material consumed		**30,006**	26,075
Changes in inventories of finished goods,semi finished goods and work-in-progress	28	**(726)**	140
Employee benefits expense	29	**1,892**	1,292
Finance costs	30	**165**	20
Depreciation expense	31	**649**	472
Other expenses	32	**3,505**	2,729
Total expenses		**35,491**	30,728
Profit before exceptional items and tax		**3,430**	3,827
Exceptional Items		**-**	-
Profit before tax		**3,430**	3,827
Tax expenses:			
Current tax		**994**	829
Deferred Tax		**(39)**	143
Total tax expense		**955**	972
Profit for the year		**2,475**	2,855
Other Comprehensive Income			
a) Items that will not be reclassified to Profit or Loss			
-Remeasurement of defined benefit plans		**(2)**	(27)
b) Income tax relating to items that will not be reclassified to profit or loss			
-Remeasurement of defined benefit plans		**1**	9
Total other comprehensive Income		**(1)**	(18)
Total Comprehensive Income for the year		**2,474**	2,837
Earning per equity share:			
(Face Value of ₹10/- each) (refer note 40)			
Basic ₹		12.12	13.98
Diluted ₹		11.58	13.36

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For **Chaturvedi & Co.**
Chartered Accountants
Firm Registration No.302137E

Pankaj Chaturvedi
Partner
M.No.091239

New Delhi
27th June,2020

For and on behalf of the Board

Vikram Agarwal
Director
DIN:00054125

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Pawan Kumar
Company Secretary
M.No.FCS 7951

Dalip Kumar Sharma
Chief Financial Officer

Statement of Changes in Equity for the year ended 31st March, 2020

A. Equity Shares of ₹10 each issued, subscribed and fully paid up

₹ in Lakhs

	Number of Shares	Amount
As at 1st April,2019	20,418,354	2,042
Transferred from Equity Share Suspense account	(20,418,354)	(2042)
Change in share capital during the year	20,418,354	2,042
Balance as at 31st March,2020	20,418,354	2,042

-Change in share capital during the year ended 31st March,2020 represents the share allotted pursuant to demerger.

B. Other Equity

₹ in Lakhs

Particulars	Reserves and Surplus				Other Comprehensive Income	Total
	Capital Reserve	Contingent Consideration (refer note 35)	General Reserve	Retained Earnings		
Balance as at 1st April, 2018	-	-	-	*	-	-
Addition During the Year	5,943	95	-	-	-	6,038
Profit for the year	-	-	-	2,855	(18)	2,837
Transferred to General Reserve	-	-	1,000	(1000)	-	-
Balance as at 31st March, 2019	5,943	95	1,000	1,855	(18)	8,875
Addition During the Year	139	-	-	-	-	139
Profit for the year	-	-	-	2,475	(1)	2,474
Dividend on Equity Shares	-	-	-	(245)	-	(245)
Dividend distribution tax on dividend	-	-	-	(51)	-	(51)
Transferred to General Reserve	-	-	1,000	(1000)	-	-
Balance as at 31st March, 2020	6,082	95	2,000	3,034	(19)	11,192

* Figure is less than one Lakh

Nature and purpose of Reserve

Note: The accompanying notes are an integral part of these Ind AS financial statements

(a) Capital Reserve:- The capital reserve was recognised in pursuant to the scheme of arrangement and demerger ("the scheme") between Prakash Industries limited (PIL) ("the demerged company") and Prakash Pipes Limited (PPL) ("the resulting company") as approved by the National Company Law Tribunal (NCLT) Chandigarh on March 14, 2019. This reserve is not freely available for distribution to the shareholders. Further MAT Credit of ₹138.61 Lakhs has been transferred from Prakash Industries Limited (Demerged Company) on account of Business Combination taken place in the previous year. It has been ascertained by the management on the basis available evidence and adjusted in Capital Reserve during the year.

(b) Retained earnings :- Retained earnings comprises of the profits of the company earned till date net of distributions and other adjustments.

(c) General reserve :- General reserve is the portion of the net profit transferred by the Company during the current year and previous year.

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For **Chaturvedi & Co.**
Chartered Accountants
Firm Registration No.302137E

For and on behalf of the Board

Pankaj Chaturvedi
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M.No.091239

Vikram Agarwal
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Managing Director
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Pawan Kumar
Company Secretary
M.No.FCS 7951

Dalip Kumar Sharma
Chief Financial Officer

New Delhi
27th June,2020

Statement of Cash Flow for the year ended 31st March'2020

(₹ in Lakhs)

CASH FLOW STATEMENT	For the year ended 31st March,2020		For the period ended 31st March,2019	
A. Cash Flow From Operating Activities :				
Profit before tax		3,430		3,827
Adjustments for				
Provision for employee benefit	60		27	
Provision written back	(10)		-	
Allowance for doubtful debts and advances	50		5	
Depreciation expenses	649		472	
Interest & Other Income	(82)		(15)	
Loss/(Profit) on sale of fixed assets	-		(18)	
Financial Costs	165	832	20	491
Operating Profit before working Capital changes		4,262		4,318
Adjustments for				
Increase in Trade receivables	(1,206)		(331)	
Increase in Other financial assets	(367)		(1,390)	
Increase in Other current assets	299		(693)	
Increase in Inventories	(1,218)		238	
Increase in Trade payable	607		589	
Decrease in Other current liabilities	(154)	(2,039)	59	(1,528)
Cash generated from operations		2223		2790
Direct Taxes Paid(Net of refund)		828		767
Net Cash from operating activities		1395		2023
B. Cash Flow From Investing Activities:				
Proceeds from Sale of fixed assets		-		19
Payment for Property, Plant and Equipment				
including CWIP and capital advances		(1,616)		(2,031)
Interest received		84		17
Net cash used in investing activities		(1,532)		(1,995)
C. Cash Flow From Financing Activities :				
Proceeds/(Repayments) from borrowings (Net)		539		9
Dividend Paid		(245)		-
Interest paid		(131)		(1)
Net Cash from financing activities		163		8
Net Changes in Cash & Cash equivalents (A+B+C)		26		36
Opening balance of Cash & Cash equivalents		71		1
Add: In pursuant of Demerger		-		34
Closing balance of Cash & Cash equivalents		97		71

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For **Chaturvedi & Co.**
Chartered Accountants
Firm Registration No.302137E

For and on behalf of the Board

Pankaj Chaturvedi
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Pawan Kumar
Company Secretary
M.No.FCS 7951

Dalip Kumar Sharma
Chief Financial Officer

New Delhi
27th June,2020

Notes on Financial Statements

1. *COMPANY OVERVIEW*

Prakash Pipes Limited (the "Company") is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act 2013, applicable in India and company is incorporated on June 29, 2017. The Company is formed for the manufacturing of PVC pipes & fittings and packaging products. The Company has its manufacturing facilities in India and sells products in India.

The financial statements were approved for issue in accordance with a resolution of the Board of Directors of the Company 27 June 2020.

2. A. RECENT ACCOUNTING PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been ***applicable from April 1, 2020***

B. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES: NEW AND AMENDED STANDARDS

Ind AS116 Leases: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ending or ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions. Based on the Company's evaluation, the Appendix did not have an impact on the financial statements of the Company.

Amendment to Ind AS 12 – Income taxes : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. Since the Company's current practice is in line with these amendments, they had no impact on the financial statements of the Company.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment, or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The amendments had no impact on the financial statements of the Company as it did not have any plan amendments, curtailments, or settlements during the period.

Amendments to Ind AS 109: Prepayment Features with Negative Compensation Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments had no impact on the financial statements of the Company.

Ind AS 23 Borrowing Costs The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019.

Since the Company's current practice is in line with these amendments, they had no impact on the financial statements of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 *Basis of preparation*

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended, and presentation requirements of Schedule III to the Act under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are presented in INR, which is also the Company's functional currency and all values are rounded to the nearest Lakhs (INR 00,000), except when otherwise indicated.

All assets and liabilities, other than deferred tax assets and liabilities, have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Act. Deferred tax assets and liabilities are classified as non-current assets and liabilities. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for current and non-current classification of assets and liabilities.

Notes on Financial Statements

3.2 *Critical accounting judgements and key sources of estimation uncertainty*

The preparation of the financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at the date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgements In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

Discount rate used to determine the carrying amount of the Company's defined benefit obligation: In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

Contingences and commitments: In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, company treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, company do not expect them to have a materially adverse impact on the financial position or profitability.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Income taxes: The Company's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

Useful lives of property, plant and equipment: As described in note 3.7, the Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the current financial year, the management determined that there were no changes to the useful lives and residual values of the property, plant and equipment.

Allowances for doubtful debts: The Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgement and estimates.Operating Cycle and Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification in accordance with Part-I of Division- II of Schedule III of the Companies Act, 2013.The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its normal operating cycle.

3.3 Operating Cycle and Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification in accordance with Part-I of Division- II of Schedule III of the Companies Act, 2013.

An asset is treated as current when it (a) Expected to be realised or intended to be sold or consumed in normal operating cycle; (b) Held primarily for the purpose of trading; or (c) Expected to be realised within twelve months after the reporting period, or (d) The asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when (a) It is expected to be settled in normal operating cycle; or (b) It is held primarily for the purpose of trading; or (c) It is due to be settled within twelve months after the reporting period, or (d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, results in its settlement by the issue of equity instruments do not affect its classification. The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its normal operating cycle.

Notes on Financial Statements

3.4 *Revenue recognition*

Revenue

The Company manufactures and sells a range of PVC pipes & fittings and packaging products. The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided below.

Sale of products

Revenue from sale of products is recognised when control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been delivered to the specific location as the case may be, the risks of loss has been transferred, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied. Sale of products include related ancillary services, if any.

Revenue from these sales is recognised based on the price specified in the contract, net of the estimated trade discounts. Accumulated experience is used to estimate and provide for the discounts, using the most likely method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

No element of financing is deemed present as the sales are generally made with a credit term of 30-90 days, which is consistent with market practice. Any obligation to provide a refund is recognised as a provision. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. The Company does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year.

Interest income Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividends Dividend income from investments is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

3.5 *Segment Reporting*

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. Thus, the Company's business falls under - two operational segments i.e. PVC pipes & fittings and packaging products.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities.

3.6 *Government grants*

Grants from the government are recognized where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight line basis over the expected live of the related assets and presented within other income.

3.7 *Property, plant and equipment*

Property, plant and equipment (PPE) are initially recognised at cost. The initial cost of PPE comprises its purchase price, including non-refundable duties and taxes net of any trade discounts and rebates. The cost of PPE includes interest on borrowings (borrowing cost) directly attributable to acquisition, construction or production of qualifying assets subsequent to initial recognition, PPE are stated at cost less accumulated depreciation (other than freehold land, which are stated at cost) and impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Notes on Financial Statements

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and useful lives.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and capital work in progress) less their residual values over the useful lives, using the straight- line method ("SLM") in the manner prescribed in Schedule II of the Act. Management believes based on a technical evaluation (which is based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.) that the useful lives of the assets as considered by the company reflect the periods over which these assets are expected to be used.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

The estimated useful lives for main categories of property, plant and equipment and intangible assets are:

Particular	Estimated useful life
Buildings	30
Roads	3
Plant and machinery	15
Vehicles	6,8
Furniture, fixtures and office equipment	10
Office equipment	3
Computer	3
Moulds & Dies	3

3.8 ***Capital work-in-progress***

Capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

3.9 **Impairment of PPE :** Property, plant and equipment with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the Statement of Profit and Loss.

3.10 ***Income tax***

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax: Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax: Deferred income tax is recognized using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of a deferred tax asset is reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

3.11 Operating Leases Including Investment Properties

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

a) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to note 1.13 for accounting policies on impairment of nonfinancial assets.

b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments primarily comprise of fixed payments.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

c) Short-term leases and leases of low value assets

The Company applies the short-term lease recognition exemption to its short-term leases of office spaces and certain equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

As a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

3.12 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.13 Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

Notes on Financial Statements

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

3.14 Inventories

Inventories are valued at lower of cost on FIFO basis and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to their present location and condition, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3.15 Non-derivative financial instruments

Classification

The classification is done depending upon the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets classified as 'measured at fair value', gains and losses will either be recorded in profit or loss or other comprehensive income, as elected. For assets classified as 'measured at amortized cost', this will depend on the business model and contractual terms of the cash flows.

Initial Measurement and Recognition

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

a. Financial assets – Subsequent measurement

Financial assets at amortised cost: Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVTOCI): Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

Financial assets at fair value through profit or loss (FVTPL): Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

b. Financial liabilities - Subsequent measurement

Financial liabilities are measured at amortised cost using the effective interest method. The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings: After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost on accrual basis.

Composite financial Instrument: The fair value of the liability portion of an optionally convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the bonds. The remainder of the proceeds is attributable to the equity portion of the compound instrument. This is recognised and included in shareholders' equity.

Impairment of financial assets

The Company assesses on a forward-looking basis, the expected credit losses associated with its financial assets carried at amortised cost for e.g., debt securities, deposits, trade receivables and bank balances; and lease receivables. The impairment methodology applied depends on whether there has been a significant increase in credit risk and if so, assess the need to provide for the same in the Statement of Profit and Loss.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables and all lease receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit losses (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument over the expected life of the financial instrument.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. The Balance Sheet presentation for various financial instruments is described below:

- Financial assets measured at amortised cost, revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments based on shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

For debt instruments at fair value through OCI, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the internal credit rating of the debt instrument.

However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

c. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in financial statements if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.16 Borrowing costs

General and specific borrowing costs (including exchange differences arising from foreign currency borrowing to the extent that they are regarded as an adjustment to interest cost) that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Notes on Financial Statements

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

Foreign exchange difference regarded as borrowing taken for non-monetary items, an adjustment to borrowing costs are presented/ reported as part of non-monetary item.

3.17 Employee Benefits

Employee benefits consist of contribution to employees state insurance, provident fund, gratuity fund and compensated absences.

Post-employment benefit plans

Defined Contribution plans

Contributions to defined contribution schemes such as employees' state insurance, labour welfare fund, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

Defined benefit plans

The Company operates defined benefit plan in the form of gratuity and compensated absence. The liability or asset recognised in the balance sheet in respect of its defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the said obligation is determined by discounting the estimated future cash out flows, using market yields of government bonds that have tenure approximating the tenures of the related liability.

The interest expenses are calculated by applying the discount rate to the net defined benefit liability or asset. The net interest expense on the net defined benefit liability or asset is recognised in the Statement of Profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

The classification of the company's net obligation into current and non- current is as per the actuarial valuation report.

3.18 Business combination – common control transaction

Business combinations involving entities that are controlled by the group are accounted for using the pooling of interests method as follows

- The assets and liabilities of the resulting entity are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognize any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and net assets transferred to capital reserve and is presented separately from other capital reserves. Earnings per share (EPS).

3.19 Earnings per share (EPS)

Basic EPS is computed by dividing the profit or loss attributable to the equity shareholders of the Company by the weighted average number of Ordinary shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares.

Notes forming part of the financial statement

4 Statement Of property, plant and equipment and Capital Work-In-Progress as at 31st March, 2020

₹ in Lakhs

PARTICULARS	Property, Plant and Equipment									Capital Work-in-Progress
	Lease Hold (Right-of-use assets)	Land (Free Hold)	Buildings	Plant and Equipment	Furniture and fixtures	Vehicles	Office Equipments	Mould & Dies	Total	
Gross carrying value as at 1st April, 2019	73	61	1,447	5,309	61	613	53	592	8,209	38
Additions	-	-	15	1,247	11	103	2	416	1,794	881
Disposals	-	-	-	-	-	2	-	-	2	-
Capitalisation During the year	-	-	-	-	-	-	-	-	-	911
Gross carrying value as at 31st March, 2020	73	61	1,462	6,556	72	714	55	1,008	10,001	8
Accumulated depreciation as at 1st April, 2019	21	-	963	2,188	39	342	41	289	3,883	-
Depreciation	-	-	28	355	3	65	5	193	649	-
Depreciation charged to Capital Work in Progress	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation on disposals	-	-	-	-	-	2	-	-	2	-
	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 31st March, 2020	21	-	991	2,543	42	405	46	482	4,530	-
Carrying value as at 31st March, 2019	52	61	484	3,121	22	271	12	303	4,326	38
Carrying value as at 31st March, 2020	52	61	471	4,013	30	309	9	526	5,471	8

4.1 Lease hold land is taken by the Company on long term agreement with the government/government agency.

4.2 Vehicles are pledged against respective borrowings, the details relating to which have been described in Note 17.

4.3 PPE at cost, except leasehold land which is at cost, less adjustment towards amortisation.

Notes on Financial Statements

5 Other Financial Assets

₹ in Lakhs

	As at 31st March, 2020	As at 31st March, 2019
Non current financial assets		
(unsecured, considered good, unless otherwise stated)		
Security Deposits	110	82
	110	82

6 Other Non Current Assets

	As at 31st March, 2020	As at 31st March, 2019
(unsecured, considered good, unless otherwise stated)		
Capital Advances	142	77
Prepaid Expenses	9	-
	151	77

7 Deferred Tax Assets(Net)

	As at 31st March, 2020		As at 31st March, 2019	
Deductible Temporary Difference				
Provision for employees benefits	102		103	
Loss allowance on Financial and Contract Assets	18		5	
Unused Tax credits	2,491		2,163	
Deferred Tax Assets		2611		2271
Property, plant and equipment and intangible assets	(324)		(162)	
Deferred Tax Liabilities		(324)		(162)
Deferred Tax Assets (Net) (refer note 38)		2,287		2,109

8 Inventories

	As at 31st March, 2020	As at 31st March, 2019
Current assets		
(As taken, valued and certified by the Management)		
Raw Materials	1,248	739
Finished Goods	1,150	739
Work In Progress	348	49
Stores, Spares & Fuels	187	204
Scrap & Waste	23	7
	2,956	1,738

Notes on Financial Statements

9 Trade Receivables

₹ in Lakhs

	As at 31st March, 2020	As at 31st March, 2019
Current financial assets		
Trade Receivable considered good-unsecured	4,049	2,966
Trade Receivable which have significant increase	331	208
in credit risk	-	-
	4,380	3,174
Less: Trade Receivable-credit impaired	61	11
	4,319	3,163
The movement in allowance for bad and doubtful debts:		
Balance as at beginning of the year	11	-
In pursuant to scheme of demerger	-	6
Allowance for bad and doubtful debts during the year	50	5
Trade receivables written off during the year	-	-
	61	11

10 Cash and Cash Equivalents

	As at 31st March, 2020	As at 31st March, 2019
Balances with banks:		
On Current Accounts	93	69
Cash on hand	4	2
	97	71

11 Bank Balances Other Than Cash and Cash Equivalents

	As at 31st March, 2020	As at 31st March, 2019
Current Financial Assets		
Term Deposits	1,083	-
	1,083	-

12 Loan

	As at 31st March, 2020	As at 31st March, 2019
Current Financial Assets		
Loans to related parties		
Loan Receivable considered good-unsecured	-	1,020
Loan Receivable which have significant increase in credit risk	-	-
	-	1,020
Less: Loan Receivable-credit impaired	-	-
	-	1,020

Notes on Financial Statements

13 Other Financial Assets

₹ in Lakhs

	As at 31st March, 2020	As at 31st March, 2019
Current financial assets		
(Unsecured considered good, unless otherwise stated)		
Interest accrued	2	4
Claims Recoverable	673	397
	675	401
Less: Allowance for Claim Recoverable	(3)	(3)
	672	398
The movement in allowance for bad and doubtful Claims:		
Balance as at beginning of the year	3	-
In pursuant to scheme of demerger	-	3
Allowance for bad and doubtful debts during the year	-	-
Claim receivables written off during the year	-	-
	3	3

14 Other Current Assets

	As at 31st March, 2020	As at 31st March, 2019
(Unsecured considered good, unless otherwise stated)		
Balances with Government Authorities	592	448
Advances to vendors	75	552
Other advances(including prepaid expenses etc.)	56	31
	723	1,031

15 Equity Share Capital

	As at 31st March, 2020	As at 31st March, 2019
Authorised		
2,50,00,000 (31st March, 2019: 2,50,00,000) Equity Shares Of ₹ 10 each	2,500	2,500
	2,500	2,500
Issued, Subscribed and Paid Up		
Equity		
2,04,18,354 (31 st March,2019, Nil)Equity Shares of ₹ 10each	2,042	-
Equity Share Suspense account	-	2,042
	2,042	2,042

Notes on Financial Statements

a) Reconciliation of equity shares outstanding at the beginning and end of the reporting period.

	As at 31st March, 2020		As at 31st March, 2019	
	Nos.	₹ in Lakhs	Nos.	₹ in Lakhs
Equity Shares				
Balance at the beginning of the year	-	-	10000	1
Cancelled pursuant to the scheme of demerger	-	-	(10000)	(1)
Issued during the year (refer note d)	20,418,354	2042		
Balance at the end of the year	20,418,354	2042	-	-

b) Terms/rights attached to equity shares

The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is entitled to one vote per share. All equity Share holders are having right to get dividend in proportion to paid up value at each equity shares as and when declared. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all the preferential amounts, in proportion to their shareholding.

c) Details of shareholders holding more than 5% shares in the Company

	As at 31st March, 2020		As at 31st March, 2019	
	Nos.	% of holding	Nos.	% of holding
Name of the Shareholder				
1 Amarjoti Vanijya LLP	11,77,233	5.77%	-	-

d) The Company has allotted 2,04,18,354 equity shares pursuant to the scheme of arrangement of demerger.

16 Other Equity

	As at 31st March, 2020	As at 31st March, 2019
Capital Reserve on demerger	6,082	5,943
Retained Earnings	3,034	1,855
General Reserve	2,000	1,000
Other Comprehensive Income	(19)	(18)
Contingent consideration (refer note 35)	95	95
	11,192	8,875

17 Borrowings

	As at 31st March, 2020	As at 31st March, 2019
Non current financial liabilities		
Secured		
Term Loan		
From Bank	5	7
From Others	27	-
Finance Lease Obligation (refer note 45)	6	6
	38	13

Notes on Financial Statements

Terms and Conditions

(a) Term Loans from banks and others include ₹7 Lakhs (₹7 Lakhs) and ₹35 Lakhs (₹ Nil) respectively secured against the vehicles financed by the concerned lenders.

Lender	0-1 Year	1-3 years	4-5 Years	6-10 Years	Rate of Interest
Term Loans from banks	2	5	-	-	9%
Term Loans from Others	8	23	3	-	6% to 10%

18 Non Current Liabilities

	As at 31st March, 2020	As at 31st March, 2019
Deferred Income	10	14
	10	14

18.1 Deferred income represent capital investment subsidy which were granted on investment in plant and machinery under special package-II for Industrial unit in the states of Uttarakhand and to be recognised in remaining useful life of respective plant and machinery

19 Non-Current Provisions

	As at 31st March, 2020	As at 31st March, 2019
For Employee Benefits (refer note 36)	226	206
	226	206

20 Borrowings

	As at 31st March, 2020	As at 31st March, 2019
Current Financial Liabilities		
Unsecured		
From Related Party (refer note 39)	467	-
	467	-

20.1 Borrowing taken is repayable on demand and rate of interest is 15 %pa.

21 Trade Payables

	As at 31st March, 2020	As at 31st March, 2019
Current financial liabilities		
-Total outstanding dues of Micro Enterprises and Small Enterprises	445	463
-Total outstanding due of creditors other than Micro Enterprises and Small Enterprises	1,444	1,146
	1,889	1,609

Notes on Financial Statements

22 Other Financial Liabilities

₹ in Lakhs

	As at 31st March, 2020	As at 31st March, 2019
Current Maturity of long term debts	10	2
Current Maturity of Finance lease obligations	1	1
Others		
Salary, wages and benefits payable	133	96
Capital Creditors	213	-
Other expenses payables	448	114
	805	213

23 Other Current Liabilities

	As at 31st March, 2020	As at 31st March, 2019
Statutory dues payable	25	158
Advances from Customers	22	27
Deferred Income (refer note 18.1)	3	3
	50	188

24 Current Provisions

	As at 31st March, 2020	As at 31st March, 2019
For Employee Benefits (refer note 36)	91	65
	91	65

25 Current Tax Liabilities (Net)

	As at 31st March, 2020	As at 31st March, 2019
Provision for Income Tax (Net)	1014	828
Tax on Dividend	53	-
	1067	828

26 Revenue From Operations

	For the year ended 31st March, 2020	For the period ended 31st March, 2019
Sale of products	38514	34096
	38514	34096

Notes on Financial Statements

27 Other Income

₹ in Lakhs

	For the year ended 31st March, 2020	For the period ended 31st March, 2019
Interest Income	82	15
Miscellaneous income	325	426
Profit on Sale of Fixed Assets	-	18
	407	459

28 Change In Inventories Of Finished Goods, Semi Finished Goods And Work In Progress

	For the year ended 31st March, 2020		For the period ended 31st March, 2019	
Closing Inventories				
Finished products	1,150		739	
Work in process	348		49	
Scrap and waste	23	1,521	7	795
Opening Inventories				
Finished products	739		891	
Work in process	49		37	
Scrap and waste	7	795	7	935
		(726)		140

29 Employee Benefits Expenses

	For the year ended 31st March, 2020	For the period ended 31st March, 2019
Salaries, wages and other benefits	1,802	1,218
Contribution to provident & other funds	75	60
Employee's welfare expenses	15	14
	1,892	1,292

30 Finance Costs

	For the year ended 31st March, 2020	For the period ended 31st March, 2019
Interest	165	20
	165	20

Notes on Financial Statements

31 Depreciation Expense

₹ in Lakhs

	For the year ended 31st March, 2020	For the period ended 31st March, 2019
Depreciation on tangible assets	649	472
	649	472

32 Other Expenses

	For the year ended 31st March, 2020		For the period ended 31st March, 2019	
Power and fuel		1,179		972
Processing Charges		18		22
Stores and spares		164		159
Repairs to:				
Machinery	234		172	
Building	119		30	
Others	20	373	1	203
Insurance		2		3
Rates and taxes		33		12
Travelling and Conveyance		47		26
Vehicle maintenance		29		18
Auditor's remuneration:				
-Statutory Audit fees		17		10
-Tax audit		3		-
Legal & professional charges		79		85
Miscellaneous expenses		105		40
CSR expenditure (refer note 42)		39		-
Allowance for doubtful Debts & Advances		50		5
Bank Charges		3		1
Advertisement		74		32
Packing & forwarding charges		1,271		1,071
Sales promotion		19		70
		3,505		2,729

Notes on Financial Statements

33. Contingent Liabilities Not Provided For As At March 31, 2020 Are As Under.

₹ in Lakhs

Commitments	As at 31st March, 2020	As at 31st March, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	1,289	325

34. Due To Micro And Small Enterprises:

The disclosures regarding dues to the suppliers registered under Micro and Small Enterprises Development Act, 2006 (MSMED Act) are follows.

₹ in Lakhs

	Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a)	Dues remaining unpaid as at Balance Sheet date -Principal amount -Interest amount	445	463
(b)	Interest paid in terms of section 16 of the Act, along with the amount of payment made to the supplier and service providers beyond the appointed day during the period	-	-
(c)	Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during period) but without adding the interest specified under the act	-	-
(d)	Further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises.	-	-
(e)	Interest accrued and remaining unpaid as at Balance Sheet date	1	-

The above information is as complied with the Management and relied upon by the Auditors.

35. The present FCCB holders of PIL that exercise the option of conversion (Converting FCCB holders) after record date, PPL shall issue corresponding number of equity shares as per the share entitlement ratio mentioned in the Scheme of Business Combination to such FCCB Holders upon allotment of equity shares of PIL. Pending the allotment, this amount has been considered as contingent consideration under other equity.

36. Details of Employees Benefits as required by the Ins AS 19 "Employee Benefits" are given below:-

A) Defined Contribution Plans:

Details of Employees Benefits as required by the Ind AS 19 "Employee Benefits" are given below:-

A) Defined Contribution Plans:

During the year, the company has recognised the following amounts in the Statement of Profit & Loss (included in Contribution to Provident & Other Funds):-

₹ in Lakhs

Particulars	For the year ended 31st March, 2020	For the period ended 31st March, 2019
Contribution to Provident Fund	60	45
Contribution to Employees' State Insurance	15	15

Notes on Financial Statements

B) Defined Benefit Plan:

Reconciliation of opening and closing balances of Defined Benefit obligation

Particulars	For the year ended 31st March, 2020 (Unfunded)			For the period ended 31st March, 2019 (Unfunded)		
	Gratuity	Leave	Sick	Gratuity	Leave	Sick
Defined Benefits obligation at the beginning of the year	179	78	13	148	62	11
Current Service Cost	20	16	4	17	9	2
Interest Cost	13	6	1	11	5	1
Actuarial (gain)/loss	(13)	12	3	17	12	(1)
Benefit paid	(8)	(7)	-	(14)	(10)	-
Defined Benefit obligation at the year end	191	105	21	179	78	13
Reconciliation of fair value of assets and obligations						
Present value of obligation at year end	191	105	21	179	78	13
Amount recognized in Balance Sheet	191	105	21	179	78	13
Expenses recognized during the year						
Current Service Cost	20	16	4	17	9	2
Interest Cost	13	6	1	11	5	1
Actuarial gain/(loss)	(13)	12	3	(17)	(11)	1
Total Cost recognized in the Profit & Loss A/c	20	34	8	11	3	3
Actuarial assumption						
Mortality Table (Ultimate)	IALM 2012-14 (Ultimate)	IALM 2012-14 (Ultimate)	IALM 2012-14 (Ultimate)	IALM 2006-08 (Ultimate)	IALM 2006-08 (Ultimate)	IALM 2006-08 (Ultimate)
Discount rate (per annum)	7.00%	7.00%	7.00%	7.75%	7.75%	7.75%
Rate of escalation in salary (per annum)	5%	5%	5%	5%	5%	5%

Sensitivity Analysis:

Period	As on: 31-03-2020		
	Gratuity	Leave	Sick leave
Defined Benefit Obligation (Base)	1,90,58,632 @ Salary Increase Rate : 5%, and discount rate :7%	1,05,16,811	20,89,674
Liability with x% increase in Discount Rate	1,81,45,258; x=1.00% [Change (5)%]	99,59,342; x=1.00% [Change (5)%]	19,62,629; x=1.00% [Change (6)%]
Liability with x% decrease in Discount Rate	2,00,89,230; x=1.00% [Change 5%]	1,11,46,070; x=1.00% [Change 6%]	22,32,450; x=1.00% [Change 7%]
Liability with x% increase in Salary Growth Rate	2,00,99,566; x=1.00% [Change 5%]	1,11,52,384; x=1.00% [Change 6%]	22,33,886; x=1.00% [Change 7%]
Liability with x% decrease in Salary Growth Rate	1,81,20,506; x=1.00% [Change (5)%]	99,44,191; x=1.00% [Change (5)%]	19,59,161; x=1.00% [Change (6)%]
Liability with x% increase in Withdrawal Rate	1,91,24,928; x=1.00% [Change 0%]	1,05,89,824; x=1.00% [Change 1%]	21,05,545; x=1.00% [Change 1%]
Liability with x% decrease in Withdrawal Rate	1,89,78,428; x=1.00% [Change 0%]	1,04,36,055; x=1.00% [Change (1)%]	20,72,243; x=1.00% [Change (1)%]

The estimate of rate of escalation is salary considered in actuarial valuation, taken into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the actuary.

Notes on Financial Statements

37. Income Tax Expense:

(A) Components of Income Tax Expenses

₹ in Lakhs

	For the year ended 31st March, 2020	For the period ended 31st March, 2019
Current Tax	994	829
Deferred Tax on account of temporary differences	(40)	134
Tax expense recognized in the statement of Profit and Loss	**954**	963

(B) Reconciliation of Income tax expense to the accounting profit for the year

₹ in Lakhs

	For the year ended 31st March, 2020		For the period ended 31st March, 2019	
Profit before tax	**3430**		3827	
Income tax expense at normal rate	**994**	**28.97%**	1337	34.94%
Effect of income exempt from income tax	-	-	(452)	(11.81%)
Effect of temporary difference	-	-	(56)	(1.46%)
Tax expense recognized in the statement of Profit and Loss	**994**	**28.97%**	829	21.66%

(C) Tax Assets and Liabilities

₹ in Lakhs

	As at 31st March, 2020	As at 31st March, 2019
Non-current tax assets	-	-
Current tax liabilities (net)	1,067	828

38. Movement In Deferred Tax Assets And Liabilities.

₹ in Lakhs

	For the year ended 31st March, 2020			For the year ended 31st March, 2019			
	As at 1st April, 2019	Addition during the year	As at 31st March, 2020	As at 1st April, 2018	Transferred in pursuant to the scheme of demerger	Addition during the year	As at 31st March, 2019
Provision for employee benefits	103	(1)	102	-	77	26	103
Provision for doubtful debts and advances	5	13	18	-	3	2	5
Unused Tax credits*	2163	328	2491	-	2163	-	2163
Deferred tax assets	**2271**	**340**	**2271**	**-**	**2243**	**28**	**2271**
Depreciation-Property, Plant and Equipment	(162)	(162)	(324)	-	-	(162)	(162)
Deferred tax assets/ liabilities (net)	**2109**	**178**	**2287**	**-**	**2243**	**(134)**	**2109**

* Further, MAT Credit of ₹ 138.61 Lakhs has been transferred from Prakash Industries Limited (Demerged Company) on account of Business Combination taken place in the previous year. It has been ascertained by the management on the basis available evidence.

Notes on Financial Statements

39. Related Party Disclosure As Required By Ind As -24 Issued By Ministry Of Corporate Affairs (Mca) Are As Under:-

(A) Enterprise on which key management personnel and/or their relative exercise significant influence

1. Prakash Industries Limited

(B) Key Management Personnel :

1. Shri V.P. Agarwal, Director
2. Shri Vikram Agarwal, Director
3. Shri Kanha Agarwal, Director
4. Shri Pawan Kumar, Company Secretary
5. Shri Dalip Kumar Sharma, CFO

(C) Transactions with the related parties.

₹ in Lakhs

	For the year ended 31st March, 2020	For the period ended 31st March, 2019
Key Management personnel		-
Remuneration	13	3
Enterprises		
Interest Received	79	13
Interest Paid	3	-
Loan Given (Net of repayment)	-	1020
Loan Received(Net)	467	-
Loan Given as on 31st March, 2020	-	1020
Loan Received as on 31st March, 2020	467	-

Related party relationships are as identified by the management and relied upon by the Auditor. No amount due from/to any related party is/has been written off/back or considered doubtful.

40. Earning Per Share (EPS)

₹ in Lakhs

	For the year ended 31st March, 2020	For the period ended 31st March, 2019
Net Profit for the period (before OCI)	2475	2855
Weighted average no. of Equity Shares	204	204
Diluted average no. of Equity Shares	214	214
Basic Earning per Share (₹)*	12.12	13.98
Diluted Earning per Share (₹)*	11.58	13.36
Face Value of each Share (₹)	10	10

* Basic earning per share has been computed considering the equity shares under equity share account.

* Diluted earning per share has been computed considering the equity shares under equity share account and contingent consideration

Notes on Financial Statements

41. Segment Information:

Operating Segments

The Company has determined following reporting segments based on the operating results of its business segments reviewed by the Company's Chief Operating Decision Maker for the purpose of making decision about resource allocation and performance assessment.

a) PVC Pipe and fitting

b) Flexible Packaging

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Segment Revenue		
a) PVC Pipe and fitting	33,096	33,296
b) Flexible Packaging	5,418	800
Total	38,514	34096
Net Sales/Income from Operations		
Segment Results		
Profit before tax and interest		
a) PVC Pipe and fitting	3,896	4301
b) Flexible Packaging	(299)	(406)
c) Unallocated	(2)	(48)
Total	3595	3847
Less : Financial Expenses	165	20
Exceptional Item	-	-
Total Profit before tax	3,430	3827

Segment Assets	As at 31st March, 2020	As at 31st March, 2019
a) PVC Pipe and fitting	9,277	9188
b) Flexible Packaging	6,313	2756
c) Unallocated	2,287	2109
Total	17,877	14053

Segment Liabilities	As at 31st March, 2020	As at 31st March, 2019
a) PVC Pipe and fitting	2,213	1791
b) Flexible Packaging	1,100	246
c) Unallocated	1,330	1100
Total	4,643	3137

Notes on Financial Statements

42. **The details of the expenditure on activities of Corporate Social Responsibilities (CSR) in pursuant to provisions of Section 135 of the Companies Act, 2013 are as under:**

    a) The gross amount required to be spent by the Company during the year is ₹38.74 Lakhs (previous year ₹ Nil).

    b) The amount spent during the year on CSR activities is as follows:

₹ in Lakhs

S. No.	Particulars	For the Year ended 31st March, 2020			For the Year ended 31st March, 2019		
		Paid	Yet to be Paid	Total	Paid	Yet to be Paid	Total
(i)	Construction/acquisition of any assets	-	-	-	-	-	-
(ii)	On purpose other than (i) above	39	-	39	-	-	-

43. (A) Fair Value Measurements

₹ in Lakhs

	31st March 2020			31st March 2019		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Non-Current assets						
Financial assets						
-Other financial assets	-	-	110	-	-	82
Current assets						
Financial assets						
Trade receivable	-	-	4319	-	-	3163
Cash and cash equivalents	-	-	97	-	-	71
Bank Balance	-	-	1083	-	-	-
Current loan	-	-	-	-	-	1020
Other financial assets	-	-	672	-	-	398
Total financial assets	-	-	6281	-	-	4734
Non-current liabilities						
Financial liabilities						
Borrowings	6	-	32	6	-	7
Non-current liabilities	-	-	10	-	-	14
Current liabilities						
Financial liabilities						
Trade payable	-	-	1889	-	-	1609
Borrowings			467			-
Other financial liabilities	-	-	805	-	-	213
Total financial liabilities	6	-	3,203	6	-	1843

Notes on Financial Statements

(b) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair value of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

₹ in Lakhs

Assets and liabilities which are measured at amortized cost for which fair values are disclosed as at 31st March 2020	Level 1	Level 2	Level 3	Total
Non-Current assets				
Financial assets				
-Other financial assets	-	-	110	110
Current assets				
Financial assets				
Trade receivable	-	-	4319	4319
Cash and cash equivalents	-	-	97	97
Bank Balance	-	-	1,083	1,083
Other financial assets	-	-	672	672
Total financial assets	-	-	6,281	6,281
Non-current liabilities				
Financial liabilities				
Borrowings	6	-	32	38
Non-current liabilities	-	-	10	10
Current liabilities				
Financial liabilities				
Trade payable	-	-	1889	1889
Borrowing			467	467
Other financial liabilities	1	-	804	805
Total financial liabilities	7	-	3,202	3,209

Assets and liabilities which are measured at amortized cost for which fair values are disclosed as at 31st March 2019	Level 1	Level 2	Level 3	Total
Non-Current assets				
Financial assets				
-Other financial assets	-	-	82	82
Current assets				
Financial assets				
Trade receivable	-	-	3,163	3,163
Loan			1,020	1,020
Cash and cash equivalents	-	-	71	71
Bank Balance	-	-	-	-
Other financial assets	-	-	398	398
Total financial assets	-	-	4,734	4,734
Non-current liabilities				
Financial liabilities				
Borrowings	6	-	7	13
Non-current liabilities	-	-	14	14
Current liabilities				
Financial liabilities				
Trade payable	-	-	1,609	1,609
Borrowing	-	-	-	-
Other financial liabilities	1	-	212	213
Total financial liabilities	7	-	1842	1849

Level 1 : The fair value of financial instrument traded in active markets (such as publicly traded derivatives and equity securities) is based quoted market prices at the end of the reporting period.

Level 2 : The fair value of financial instrument that are not traded in active markets is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimate. If all significant input required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 : If one or more of the significant input is not based on observable data, the instrument is included in level 3.

44. Financial Risk Management And Policies

Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to stakeholders through optimization of debt and equity balance. The Company is not subject to any externally imposed capital requirements.

The capital structure of the Company consists of total equity of the Company. Equity consists of equity capital and Retained Earning.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

Capital management

(a) The company objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

The company strategy is to optimized gearing ratio. The gearing ratios were as follows:

₹ in Lakhs

	31st March 2020	31st March 2019
Net debt	548	9
Total equity	7,057	4,879
Net debt to equity ratio	0.078	0.002

(b) Dividend

₹ in Lakhs

	As at 31st March 2020	As at 31st March 2019
Dividend not recognised at the end of the reporting period		
The directors have recommended the payment of a final dividend of ₹ 1.20 per fully paid equity share (31st March, 2019 ₹ 1.20 per). This proposed dividend is subject to the approval of shareholder in the ensuing annual general meeting.	245.02	245.02
Dividend recognised at the end of the reporting period		
The directors have recommended the payment of a final dividend of ₹ 1.20 per fully paid equity share (31st March, 2018 - Nil). This final dividend is approved by the shareholders in the Annual General Meeting held on dated 30th September, 2019.	245.02	-

Financial risk management

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's principal financial assets comprise inventries, cash and bank balance, trade and other receivables.

The Company is exposed to various financial risks such as market risk, credit risk and liquidity risk. The financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

Notes on Financial Statements

a. Market Risk

The Company's activities expose it primarily to changes in interest rates. There have been no changes to the Company's exposure to market risk or the manner in which it manages and measures the risk in recent past.

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings and bank deposits.

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates is limited.

₹ in Lakhs

Interest-rate risk exposure: the exposure of the company borrowing to interest-rate changes at the end of the reporting period	As at 31st March, 2020	As at 31st March, 2019
Variable rate borrowings	467	-
Fixed rate borrowings	42	9

Sensitivity: Profit or loss is sensitive to higher/lower interest expense from borrowing as a result of change in interest rate. Other components of equity change as a result of an increase/decrease in the fair value of cash flow.

Credit risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The Company has adopted a policy of only dealing with creditworthy customers.

The credit limit is granted to a customer after assessing the Credit worthiness based on the information supplied by credit rating agencies, publicly available financial information or its own past trading records and trends.

At March 31, 2020, the company did not consider there to be any significant concentration of credit risk, which had not been adequately provided for. The carrying amount of the financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the maximum exposure to credit risk.

Expected credit loss for trade receivables under simplified approach

₹ in Lakhs

Ageing as at March 31, 2020	Not due	0-30 days	31-60 days	More than 60 days	Total
Gross carrying amount – trade receivable	2545	692	424	719	4380
Expected credit losses	-	(14)	(9)	(38)	(61)
Carrying amount of trade receivables (net of impairment)	**2545**	**678**	**415**	**681**	**4319**

Ageing as at March 31, 2019	Not due	0-30 days	31-60 days	More than 60 days	Total
Gross carrying amount – trade receivable	2966	79	59	70	3,174
Expected credit losses	-	(2)	(1)	(8)	(11)
Carrying amount of trade receivables (net of impairment)	**2966**	**77**	**58**	**62**	**3,163**

Liquidity risk

The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities for the Company.

The Company has established an appropriate liquidity risk management framework for it's short-term, medium term and long-term funding requirement.

Notes on Financial Statements

The table below summarizes the maturity profile of the Company's financial liabilities.

₹ in Lakhs

Non derivative financial liabilities	Within 1 year	1-2 year	More than 2 year	Total
As at 31st March, 2020				
Borrowing	10	10	22	42
Finance lease obligation	1	1	5	7
Borrowing	467			467
Trade payables	1889	-	-	1889
Other	794	-	-	794
	3,161	**11**	**27**	**3,199**
As at 31st March, 2019				
Borrowing	2	2	5	9
Finance lease obligation	1	1	5	7
Trade payables	1609	-	-	1609
Other	210	-	-	210
	1,822	**3**	**10**	**1,835**

45. Disclosure Of Financial Lease Hold Land As Per Ind As -17 -Leases

₹ in Lakhs

Particulars	Carrying Value	Less than 1 year	1-5 years	> 5 years	Total payments
As at 31st March,2020					
Lease hold land (Assets)	52	-	-	-	-
Minimum lease payment	37	1	3	33	37
Present value of minimum lease payments	7	1	3	3	7
As at 31st March,2019					
Lease hold land (Assets)	52	-	-	-	-
Minimum lease payment	37	1	3	33	37
Present value of minimum lease payments	7	1	3	3	7

The Company has taken land on lease for its plant from government/ government agency for 99 years, with condition of further renewal as per terms and condition mutually agreed by both the parties.

46. Based on initial assessment, the Management does not expect any significant medium to long-term impact on the business of the Company due to the COVID-19 pandemic. The Company has evaluated the possible effects on the carrying amounts of property, plant and equipment, inventory and receivables basis the internal and external sources of information and determined, exercising reasonable estimates and judgements, that the carrying amounts of these assets are recoverable. Having regard to the above, and the Company's liquidity position, there is no material uncertainty in meeting the financial obligations over the foreseeable future.

47. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure. Figures have been rounded off to the nearest Lakhs rupees unless otherwise stated.

As per our report of even date attached

For **Chaturvedi & Co.**
Chartered Accountants
Firm Registration No.302137E

For and on behalf of the Board

Pankaj Chaturvedi
Partner
M.No.091239

Vikram Agarwal
Director
DIN:00054125

Kanha Agarwal
Managing Director
DIN:06885529

Pawan Kumar
Company Secretary
M.No.FCS 7951

Dalip Kumar Sharma
Chief Financial Officer

New Delhi
27th June,2020

NOTICE

NOTICE is hereby given that the 3rd Annual General Meeting of the Members of Prakash Pipes Limited will be held through Video Conferencing (VC) / Other Audio Visual Means (OAVM) on Wednesday, the 30th September, 2020 at 12.30 p.m. IST to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2020, Profit and Loss Account and Cash Flow Statement for the year ended on that date together with the Reports of Directors and Auditors thereon.

2. To approve payment of dividend of ₹1.20 per Equity Shares (i.e. @12%) for the financial year ended on 31st March, 2020.

3. To appoint a Director in place of Shri Vikram Agarwal (DIN: 00054125), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. To ratify the remuneration of Cost Auditors for the financial year 2020-21

   To consider and, if thought fit, to pass with or without modification(s) the following resolution as **ORDINARY RESOLUTION:**

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) the remuneration payable to M/s SKG & Co., (FRN : 000418), Cost Accountants, the Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2020-21 amounting to ₹50,000/ (Rupees Fifty Thousand Only) apart from reimbursement of actual expenses to be incurred by them in connection with conducting the audit of cost records of the Company, be and is hereby ratified and confirmed.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board
For **Prakash Pipes Limited**

Pawan Kumar
Company Secretary

Registered Office:
Darjiyan Wali Gali, Rayya,
Teh-Baba Bakala, Dist.- Amritsar-143112 (Pb)
Dated : 27th June, 2020
CIN : L25209PB2017PLC046660

NOTES:

1. The statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.

2. As you are aware, In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs vide its circular dated 5th May 2020 read with circular dated 8th April 2020 and 13th April 2020 (collectively referred to as MCA Circulars) permitted the holding of the Annual General Meeting through VC/ OAVM without the physical presence of the members at a common venue. In compliance to the provisions of Companies Act, 2013, SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015 and MCA Circulars, the AGM of the Company being held through VC / OAVM.

3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 the Company is providing facility of remote e-voting to its members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

5. The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

6. Pursuant to MCA Circular No. 14/2020 dated 8thApril, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

7. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12th May, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.prakashplastics.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.

8. The AGM is being convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 8th April, 2020, Circular No.17/2020 dated 13th April, 2020 and Circular No. 20/2020 dated 5th May, 2020

9. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source (TDS) from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. To enable the Company to determine the appropriate TDS / withholding tax rate applicability, a Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to the Company at pplho@prakash.com by 16th September, 2020. No communication on the tax determination / deduction shall be entertained thereafter. The shareholders are requested to update their PAN with the Company (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

10. In order to provide protection against fraudulent encashment of dividend warrants, shareholders holding shares in electronic form, Bank account details provided by the Depository Participants (DPs) will be used by the Company for printing on dividend warrants. Shareholders who wish to change such bank accounts may advise their DPs about such change with complete details of Bank Account including MICR Code. Shareholders residing at the regions where NECS / NEFT/ Direct Credit/ RTGS/Swift Facility is available are advised to avail of the option to collect dividend by way of these Electronic Modes.

11. Register of Members and Share Transfer Books will remain closed from Thursday, 17th September, 2020 to Saturday, 19th September, 2020 (both days inclusive) for the purpose of determining the entitlement of members for the payment of Dividend for the financial year ended 31st March, 2020, if declared at the Meeting.

12. Members are requested to quote their folio, DP and client ID No. in all correspondence with the Company.

    I. If there is any change in the postal address / email ID, members may update their new address or email ID with their respective DP in case of holding shares in demat form and if holding shares in physical form they should write to the Company.

II. Members holding shares in physical form and desirous of making nomination in respect of their shareholding in the Company may send Form SH-13 for the purpose which is available at the Corporate Office of the Company or may be downloaded from the Company's website www.prakashplastics.in

III. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities Market. Members holding shares in demat form are requested to update their PAN details with their respective DPs and those holding shares in physical form may send self attested copy of PAN card to the Company.

13. Members holding shares in physical form are advised to convert their shareholding in dematerialized form with any depository participant.

14. The Extracts of the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 are available on the website of the Company.

15. Members, who have not registered their email ids for the said purpose, are requested to support this Green Initiative by registering/ updating their email ids for receiving electronic communications.

    Members holding shares in electronic mode are requested to update their email ids with their respective DPs and those holding shares in physical mode are requested to update their email ids with the Company. Members are requested to note that the business may be transacted through electronic voting system and the Company is providing facility for voting by electronic means. A Member may avail of the facility at his/her/ its discretion, as per the instructions provided herein:

    THE INTRUCTIONS FOR MEMBERS FOR REMOTE EVOTING ARE AS UNDER:

    (i) The voting period begins on 27th September, 2020 (09:00 a.m.) and ends on 29th September, 2020 (05:00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 23rd September, 2020, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter

    (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

    (iii) The shareholders should log on to the e-voting website www.evotingindia.com.

    (iv) Click on Shareholders / Members.

    (v) Now Enter your User ID

    a. For CDSL: 16 digits beneficiary ID,

    b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

    c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

    (vi) Next Enter the Image Verification as displayed and Click on Login.

    (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

    (viii) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department. (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and 8 digits client ID or folio number, if folio number is less than 8 digits enter the applicable number of 0's before folio number.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the depository or Company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (v).

    (ix) After entering these details appropriately, click on SUBMIT, tab.

    (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach "Password Creation" menu, wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

    (xi) For shareholders holding shares in physical form the details can be used only for e-voting on the resolutions contained in the Notice.

    (xii) Click on EVSN for the relevant Prakash Pipes Limited on which you choose to vote.

    (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the login password then Enter the User Id and image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

(xx) Note for Non - Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than individuals, HUF,NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of Custodian, if any should be uploaded in PDF format in the system for scrutinizer to verify the same.

PROCESS FOR THE SHAREHOLDERS WHOSE EMAIL ADDRESS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE

1. For Physical shareholders-please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company email id.
2. For Demat shareholders- please provide Demat account details (CDSL-16 digit beneficiary id or NSDL-16 digit DPID + CLID), Name , client master or copy of consolidated account statement, PAN(self attested scanned copy of PAN Card), AADHAR (self attested scanned copy of Aadhar Card) to Company email id.
3. The Company shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC / OVAM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 4 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (Company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 4 days prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at pplho@prakash.com. These queries will be replied to by the Company suitably by email. The Company reserve the rights to respect the number of speakers depending on the availability of time for AGM.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting. For ease conduct and due to limitation of transmission and coordination the Q&A session, the Company may dispense with the speaker registration during the AGM.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNER:

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/ OVAM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM

3. If any, Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/ OVAM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

4. Shareholders who have voted through Remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

OTHER INFORMATION:

A. Only those shareholders of the Company who are holding shares either in physical form or in dematerialized form, as on the cut-off date (i.e. Monday, 23rd September, 2020), shall be entitled to cast their vote either through remote e-voting or through venue voting through VC/OAVM at the AGM, as the case may be. Any person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

B. The Members who have cast their votes by remote-voting prior to the AGM may also attend and participate in the proceedings of the AGM through VC/OAVM but shall not be entitled to cast their votes again.

C. The members can opt for only one mode of voting i.e. remote e-voting or venue voting through VC/OAVM at the AGM. In case of voting by both the modes, vote cast through remote e-voting will be considered final and evoting through VC/OAVM at AGM will not be considered

D. The Board of Directors has appointed M/s S.K. Hota, Company Secretaries (Membership No.A16165 & CP No.6425) has been appointed as the Scrutinizer and Alternate scrutinizer to scrutinize the remote e-voting process and voting through Ballot paper in the meeting, in a fair and transparent manner.

E. The results declared along with the Scrutinizer's Report shall be placed on the Company's website at www.prakashplastics.com and on the website of CDSL at www.evotingindia.com immediately and on the Notice Board of the Company at its Corporate Office after the result is declared.

F. Since the AGM will be held through VC/OVAM, the route map is not annexed to the notice. The deemed venue for AGM shall be the Registered Office of the Company.

16. Details of Directors seeking appointment / re appointment at the forthcoming AGM pursuant to Regulations 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and clause 1.2.5. of the SS-2 are as per Annexure -A

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item No.4 of the accompanying Notice:

Item No.4

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

The Board on the recommendation of the Audit Committee has approved the remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2020-21 as mentioned in the resolution set out at Item No.4 of the notice.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at this item of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2020-21.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this Resolution.

The Board recommends the Resolution set out at Item No.4 for your approval.

By order of the Board
For **Prakash Pipes Limited**

Pawan Kumar
Company Secretary

Registered Office:
Darjiyan Wali Gali, Rayya,
Teh-Baba Bakala, Dist.- Amritsar-143112 (Pb)
Dated : 27th June, 2020
CIN : L25209PB2017PLC046660

Annexure-A

Details of Director(s) seeking appointment/reappointment at the forthcoming Annual General Meeting (AGM) pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and clause 1.2.5 of the Secretarial Standard 2

Name of the Directors	Shri Vikram Agarwal
Date of Birth	04.12.1978
Date of First appointment on the Board	29.06.2017
Qualifications	Graduate
Experience / Expertise in specific function areas / Brief resume of the Director.	Shri Vikram Agarwal is associated with the Company since its incorporation.
Terms and Conditions of appointment/re-appointment	Term and conditions of appointment are vide proposed resolution to be passed in ensuing AGM
Details of remuneration sought to be paid and remuneration last drawn	No remuneration or sitting fee is payable
Disclosure of Relationship with other Directors Manager and Key Managerial Personnel of the Company	Shri Ved Prakash Agarwal, Chairman of the company is Father of Shri Vikram Agarwal and Shri Kanha Agarwal, Managing Director of the Company is brother of Shri Vikram Agarwal.
No. of Meeting of Board of Directors attended during the F.Y. 2019-20	5
Other Directorship held	6
Membership/Chairmanship of Committees of other Boards	2
Shareholding in the Company	50812

NOTES

NOTES

A TRISYS PRODUCT
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