

PPFL/SE/2020-2021/102

August 28, 2020

To

BSE Limited
25th Floor, P.J Towers,
Dalal Street, Mumbai-400001
Scrip Code: 542907

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai -400051
Scrip Code: PRINCEPIPE

Dear Sir/Madam,

Sub: 1. Regulation 34 – Electronic copy of the Notice of the 33rd Annual General Meeting & Annual Report for the year 2019-20

2. Intimation of cut-off date of September 16, 2020 to determine the eligibility of the members to cast their vote through remote e-Voting and e-Voting during 33rd Annual General Meeting

We wish to inform that the Thirty Third Annual General Meeting ("33rd AGM") of the Members of the Company will be held on Wednesday, September 23, 2020 at 11:30 A.M (IST) through Video Conferencing (VC)/Other Audio Visual Means (OAVM).

Please find enclosed electronic copy of the Notice of the 33rd AGM and the Annual Report for the year 2019-20 including the Audited Financial Statements for the year ended March 31, 2020 ("Annual Report"), being sent by email to those Members whose email addresses are registered with the Company/Depository Participant(s). The requirements of sending physical copy of the Notice of the AGM and Annual Report to the Members have been dispensed with vide MCA Circular/s and SEBI Circular. The Notice of the 33rd AGM and the Annual Report are also being uploaded on the website of the Company at www.princepipes.com.


The cut-off date for reckoning voting of the members is September 16, 2020. The remote e-voting will be available from Sunday, September 20, 2020 (at 9:00 A.M. IST) and ends on Tuesday, September 22, 2020 (at 5:00 P.M. IST). Voting at AGM is also available through e-voting.

Kindly take the same on record.

Thanking you,

Yours sincerely

For Prince Pipes and Fittings Limited



Shailesh K. Bhaskar

Company Secretary & Compliance Officer



JAIPUR: 2019



ATHAL: 1995



KOLHAPUR: 2012



DADRA: 2000



CHENNAI: 2012



HARIDWAR: 2008



FOR AN INDIA
THAT'S MOVING FAST,
A WHEEL THAT'S
BUILT TO LAST.



PRINCE

PRINCE®
PIPING SYSTEMS

PRINCE
STORFIT

REFIT

CORFIT
Underground Double Wall
Corrugated Pipes

PRINCE GREENFIT

PRINCE DRAINFIT

PRINCE AQUAFIT

PRINCE SAFEFIT

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Notice of 33rd AGM

Corporate Information

Board of Directors

Mr. Jayant Chheda

Chairman and Managing Director

Mr. Parag Chheda

Executive Director

Mr. Vipul Chheda

Executive Director

Mr. Ramesh Chandak

Independent Director

Mr. Mohinder Pal Bansal

Independent Director

Mrs. Uma Mandavgane

Independent Director

Mr. Dilip Deshpande

Independent Director

Mr. Rajesh Pai

Non - Executive (Nominee) Director

(Appointed w.e.f. November 26, 2019)

Mr. Rajendra Gogri

Additional Independent Director

(Appointed w.e.f. June 25, 2020)

Mr. Satish Chavva

Non - Executive Additional Director (Nominee)

(Appointed w.e.f. June 25, 2020)

Vice President & Chief Financial Officer

Mr. Shyam Sharda

Company Secretary and Compliance Officer

Mr. Shailesh Bhaskar

(Appointed w.e.f. July 01, 2020)

Statutory Auditors

M/s. Khimji Kunverji & Co LLP,

Chartered Accountants

Internal Auditors

M/s. Mahajan & Aibara, LLP

Chartered Accountants

Secretarial Auditors

M/s. Sanjay Dholakia & Associates,

Company Secretaries

Bankers:

Bank of India

DBS Bank India Limited

ICICI Bank Limited

IDFC First Bank Limited

IndusInd Bank Limited

Standard Chartered Bank

The Federal Bank Limited

Yes Bank Limited

Registrars & Share Transfer Agents:

Link Intime India Private Limited

C-101, 1st Floor, 247 Park,

Lal Bahadur Shastri Marg, Vikhroli (West),

Mumbai 400 083, India

Registered Office:

Plot No.1, Honda Industrial Estate

Phase II, Honda Sattari

Honda, Goa 403 530, India

Corporate Office

8th Floor, The Ruby,

Senapati Bapat Marg (Tulsi Pipe Road),

Dadar West, Mumbai 400 028.

Tel:022-66022222.

Website: www.princepipes.com

Email: investor@princepipes.com

Audit Committee

Mr. Mohinder Pal Bansal

Chairman

Mr. Ramesh Chandak

Mrs. Uma Mandavgane

Mr. Parag Chheda

Nomination and Remuneration Committee

Mr. Ramesh Chandak

Chairman

Mrs. Uma Mandavgane

Mr. Mohinder Pal Bansal

Corporate Social Responsibility Committee

Mr. Jayant Chheda

Chairman

Mr. Parag Chheda

Mrs. Uma Mandavgane

Stakeholders' Relationship Committee

Mr. Ramesh Chandak

Chairman

Mr. Parag Chheda

Mr. Vipul Chheda

Risk Management Committee

Mr. Mohinder Pal Bansal

Chairman

Mr. Ramesh Chandak

Mr. Parag Chheda

Mr. Shyam Sharda

Company At A Glance

Our Company is one of India's largest integrated piping solutions & multi polymer manufacturers



Strong legacy of more than
3 decades



Amongst
Top 5
Processors in Piping Industry



Strategically located **6** Manufacturing
units and **7th** Upcoming



Total Installed Capacity -
255,899 MTPA



First
mover in North India



Largest Range of SKUs -
7,167 SKUs



Pan India distribution -
1,408 Channel
Partners



11 Warehouses -
for efficient supply & timely service



Technical
collaboration
with a reputed international player



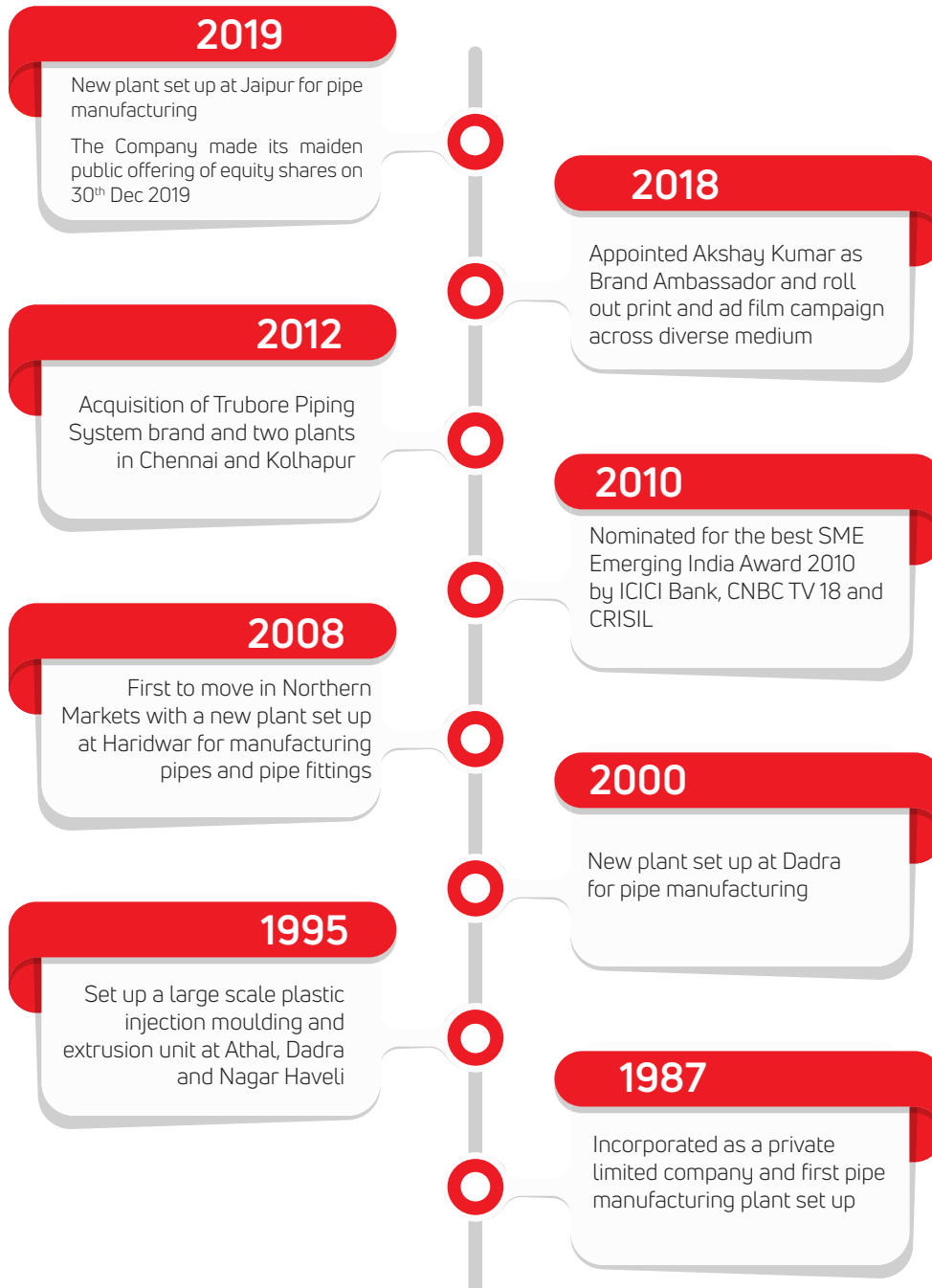
Diverse
end-use applications



"Comprehensive product portfolio across polymers:"
Product Brands:
Prince and Trubore

History & Milestones

Our evolution and innovation is aligned to the nation's progress



Corporate Philosophy

Vision, Mission & Value System



Vision

To be an acknowledged leader in Indian plastic piping industry by exceeding customers expectations and maximizing bottom line for all our stake holders.



Mission

Our mission is to bring a revolution in plastic piping industry through innovative solutions which would create a profitable growth and benefit our customers & the society at large.

Core Value System



Ethical Standards:

We conduct business in an ethical manner and act as a good corporate citizen in all areas in which the organization operates.

Respect:

We respect & appreciate all individuals and cultural identities. We embrace the differences. We ensure harmonious working environment for all our employees.

Transparency:

Transparency is the hallmark of all our business dealings. We communicate openly and sincerely. We appreciate feedback.

Commitment to Quality:

We are committed to provide the best quality products to our customers.

Ownership:

We believe in accepting responsibility and ownership while embracing common goals, teamwork and collaborative decision making



Chairman's Message

Mr. Jayant Chheda
Chairman and Managing Director

Dear Shareholders,

It gives me immense pride to present to you the first Annual Report of Prince Pipes and Fittings Limited since the Company's successful listing on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) in the month of December 2019. I thank all our shareholders for your enthusiastic participation and support.

The Financial Year 2019-20 (FY20) has been a landmark year in the history of our Company as it achieved two major milestones. Firstly, we transformed into a public limited company through the successful listing of our Company's shares on the BSE and NSE led by an overwhelming response from investors. Secondly, our Company has remained steadfast in its course of mission and continued to report steady performance despite the overarching global concerns caused by the COVID 19 pandemic, humanity's health and economic crisis.

The COVID-19 pandemic continues to inflict high and rising human costs worldwide. A plethora of significant economic policy measures, monetary stimulus and liquidity facilities have already been undertaken globally. However, the global economy is projected to contract sharply by 3% in CY2020, more severe than that of the FY 2009 financial crisis. In the midst of this turmoil, the International Monetary Fund's

(IMF) projection of 1.9% GDP growth for India in 2020 is highest among G20 nations, which augurs well for our country as we progress into the new fiscal and beyond. The RBI has also taken a proactive stance in implementing additional measures to ensure a conducive financial environment and to facilitate greater normalcy in the functioning of financial markets.

The Indian plastic pipes and fittings industry has been witnessing healthy growth over the last couple of years. The industry growth outlook remains strong driven by the Government of India's focus on expanding areas under irrigation and increasing urban infrastructure spending which determines demand for Water Supply and Sanitation (WSS) and affordable housing projects in urban, semi urban and rural areas. Various schemes and initiatives like, Pradhan Mantri Krishi Sinchayee Yojana (PMKSY), Smart City projects, Housing for All by 2022 etc. will provide stronger impetus to industry growth. This in turn will be further aided by the growing penetration of branded plumbing pipes in the affordable housing project segment and need-based replacement potential of plumbing pipes. The plastic piping industry is expected to grow at a healthy pace over FY19-FY24 to reach ~INR 500 billion by FY24.

I must say, that I feel great pride as I witness the growth of Prince Pipes and Fittings Limited. Your Company was incepted in

1987 and over 3 decades the journey has been extremely rewarding. From humble beginnings to emerging as one of India's largest integrated piping solutions & multi polymer manufacturers. It continues to be an exciting adventure that has today culminated into a larger mission of creating innovations in plumbing, irrigation, storage and sewerage technologies to meet India's growing water management needs.

Today, your Company is one of India's largest PVC pipes manufacturer engaged in the manufacturing of polymer pipes and fittings through production of polymer pipes - CPVC, UPVC, HDPE, PPR and fittings - CPVC, PPR, and UPVC. The leading brands are Prince Piping Systems and Trubore. In June 2020 your Company through a pilot launch, introduced in Gujarat a new water tank segment-STOREFIT to be later launched in other markets across India.

It gives me great pride that today your Company is a front runner in leading a significant transformation in India's exponentially increasing water demands. We have developed expansive operations across agriculture, plumbing, borewell categories, built the widest sewage product range and underground drainage solutions. We have built a strong distribution network with over 7,167 SKUs. Driven by intense industry expertise accumulated over 3 decades, Prince Pipes has striven to cultivate an innovative mind-set to resolve various water related challenges.



We are poised to deliver exponential value for our customers & investors as we resolutely build on our 3 decades-long legacy to become India's biggest Piping Solutions manufacturer with our multi-location manufacturing plants, pan-India distribution network, diversified product portfolio, strong brand equity & sound cash management



With the success of its IPO, I firmly believe that your Company is now at the threshold of its next phase of growth. Its value proposition is extremely strong and differentiated; its brand is firmly entrenched in consumer minds; and growth strategy is clear. Product innovation and further expansion of geographical footprint will continue to take centre stage. Your Company will continue to enhance and strengthen its manufacturing units and judiciously leverage branding and advertising to amplify brand connect with a larger consumer base.

In addition to the five strategically located state-of-the-art manufacturing facilities, your Company commenced production at its sixth newly constructed plant at Jaipur, Rajasthan in September '19, while an integrated plant at Telangana is also in the process of being established, which will reinforce the Company's presence in South India. We will also continue to bolster our presence in Eastern India through an asset light model by outsourcing the manufacture of high-volume low value PVC pipes. Such initiatives will help us to reduce freight cost and strengthen our market share.

Your Company will have twin benefits as capacity additions coincide with market consolidation. Such market consolidation is due to imposition of high anti-dumping duty on imported CPVC resin from China/Korea, weak balance sheet of few companies

having significant regional presence and some fringe national players. Additionally, the current environment marked with the NBFC financial stress, sluggish demand, GST implementation and strong focus on stringent quality norms, are other factors that will lead to industry consolidation.

On the face of a continuing global pandemic, your Company achieved significant growth in FY20 as compared to the previous year FY19. During the year under review, we continued to implement our strategy of adding greater capacities, expanding our network as well as optimising our product mix towards high value-added margin products. The Company reported consolidated revenue growth by 4.1% to ₹ 16,356.57 million, the EBITDA grew by 24.3% to ₹ 2,287.79 million and EBITDA margin stood at 14.0% in FY20. Profit After Tax increased by 37.0% to reach Rs 1,125.07 million in FY20. The Company aimed to utilise IPO proceeds for adding and upgrading facilities as well as towards repayment of debt, which has led the Company to be in a net cash position. Our debt-to-equity ratio, has hence improved from 0.74 times to 0.31 times in FY20.

With a strong legacy, pan-India presence, diversified product portfolio across applications, capacity additions, wide distribution network, brand equity, and healthy financial position, your Company is well positioned to further strengthen its leadership position in the Indian plastic

pipes and fittings industry.

Corporate governance, ethics and integrity have always been our moral compass. These values will never be compromised as we adhere to the highest levels of compliance and regulatory disclosures. In the midst of a challenging and rapidly changing business environment, your Company is committed to work with innovative zeal, enhance stakeholders' value and enrich our bonds with employees and business partners.

I would like to express my appreciation to every Board member for their valuable contribution and the entire management team for their commitment and passion that have enabled us to keep up pace and profits consistently.

In conclusion, I would like to thank all our stakeholders including our vendors, customers, bankers, financial institutions, Central and State government bodies, dealers, business associates and our employees for consistent cooperation and strong faith.

We look forward to your continued support to reach new milestones.

Sincerely,

Mr. Jayant Chheda

Financial Highlights

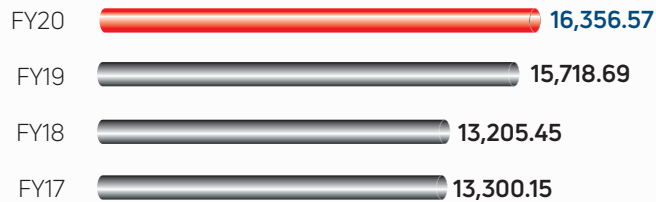
(₹ in Millions, except as stated otherwise)

Particulars	FY 20	FY 19	FY 18	FY 17
Income from operation	16,356.57	15,718.69	13,205.45	13,300.15
Expenses	14,068.78	13,878.07	11,589.64	11,800.79
EBITDA	2,287.79	1,840.62	1,615.81	1,499.36
Other Income	69.43	71.25	60.25	24.80
Depreciation	519.78	435.72	368.93	316.69
EBIT	1,837.44	1,476.15	1,307.13	1,207.47
Finance Cost	331.70	363.04	353.94	357.54
PBT	1,505.74	1,113.11	953.19	849.93
Tax Expense	380.67	291.79	218.16	198.19
PAT	1,125.07	821.32	735.03	651.74
Equity share Capital	1,100.26	900.16	900.16	450.08
Net Worth	8,376.76	3,989.13	3,159.46	2,411.76
Total Debt	2,597.71	2,969.12	3,645.91	3,219.87
Current Liabilities	4,910.86	4,904.24	4,721.45	3,795.87
Net Fixed Assets	4,961.15	4,248.70	3,515.03	2,855.00
Cash and Cash Equivalent	0.57	88.90	2.31	27.18
Current Assets	8,447.44	5,339.06	5,432.45	4,641.92
Total Assets	14,102.12	10,338.71	9,720.49	7,596.20
EPS (₹ per share)	11.77	9.12	8.17	6.90
BVPS (₹ per share)	76.13	44.32	35.10	53.59

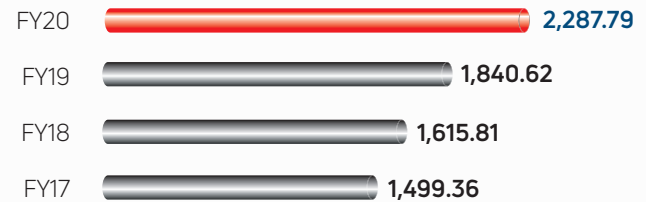
Key Performance

(₹ in Millions, except as stated otherwise)

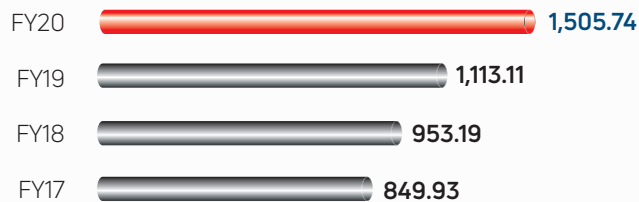
INCOME FROM OPERATION



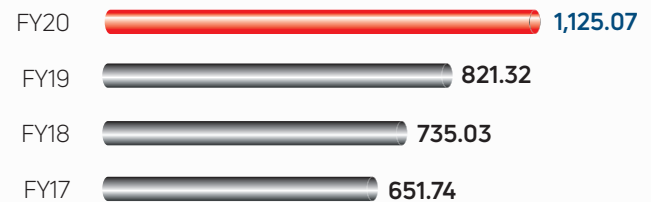
EBITDA



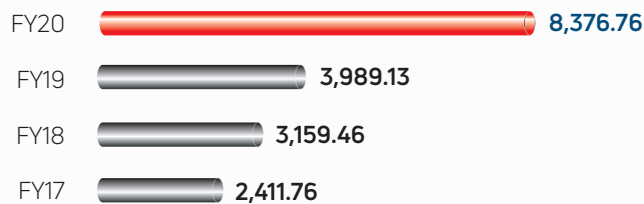
PBT



PAT



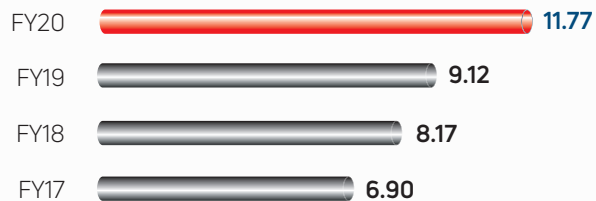
NET WORTH



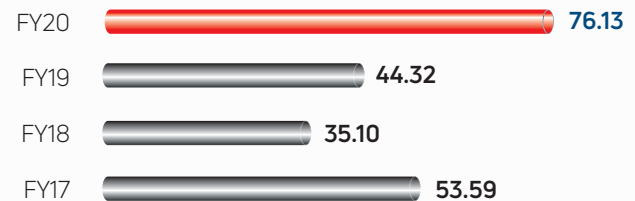
TOTAL DEBT



EPS (₹ per share)



BOOK VALUE (₹ per share)



Board of Directors



Mr. Jayant Chheda
Chairman and Managing Director

Mr. Jayant Chheda, aged 74 years, is the Chairman and Managing Director of our Company. He has been associated with our Company since incorporation as a Director. He has passed the Senior Secondary Certificate Examination. He has over three decades of experience in the plastic industry. He was awarded the 'Lifetime Achievement Award' at the Vinyl India Conference, 2014.



Mr. Parag Chheda
Executive Director

Mr. Parag Chheda, aged 49 years, is an Executive Director of our Company. He has been associated with our Company since April 27, 1996 as a Director. He holds an associate degree in business administration from Oakland Community College. He has over 24 years of experience in the piping industry. He was awarded the 'Inspiring Business Leader Award' at the Economic Times Summit, 2016 for the 'Business and Industry' sector.



Mr. Vipul Chheda
Executive Director

Mr. Vipul Chheda, aged 45 years, is an Executive Director of our Company. He has been associated with our Company since March 11, 1997 as a Director. He holds a higher secondary certificate from the Maharashtra State Board of Secondary and Higher Secondary Education. He has over 23 years of experience in the piping industry.



Mr. Ramesh Chandak
Independent Director

Mr. Ramesh Chandak, aged 73 years, is an Independent Director of our Company. He is a Chartered Accountant by qualification. He is the CEO of RDC Business Advisory, which provides individualised leadership coaching, strategy, succession planning and management services. Prior to starting his Advisory practice, he had a successful career spanning over 40 years across manufacturing & infrastructure industries in India, Malaysia and USA. He currently serves on the Boards of several listed companies and is a Senior Advisor to McKinsey & Co. He is a recipient of CA Business leader Award in 2008 by the Institute of Chartered Accountants of India. He is a former President of Indian Electrical & Electronics Manufacturers Association.



Mr. Mohinder Pal Bansal
Independent Director

Mr. Mohinder Pal Bansal, aged 63 years, is an Independent Director of our Company. He is a Chartered Accountant by qualification. He has more than 25 years of experience in Mergers & Acquisitions, Strategic Advising, Capital Markets, Company Portfolio Integration as well as post acquisition performance management in India, Asia and Europe ~ He is currently on board of several corporate bodies such as Blacksoil Capital Pvt. Ltd., Allcargo Logistics Ltd. and others.



Mrs. Uma Mandavgane
Independent Director

Mrs. Uma Mandavgane, aged 50 years, is an Independent Director of our Company. She is a Chartered Accountant and Certified Information Systems Auditor. She is a professional with experience spanning 28 years in Corporate Finance Management and Risk Advisory Consulting and had held senior position in Big 4 consulting firm. Currently Uma has an independent practice providing Business and Technology Risk in Information Systems Security domain and Data Analytics in Internal Audits.



Mr. Dilip Deshpande
Independent Director

Mr. Dilip Deshpande, aged 69 years, is an Independent Director of our Company. He was appointed to our Board on June 29, 2019. He holds a bachelor's degree in Science and technology with specialization in Petrochemicals technology and post graduate diploma in business management. He has over 45 years of experience in polymers and plastics processing industries.



Mr. Rajesh Pai
Non-Executive Nominee Director

Rajesh Pai, aged 48 years, is a Non-executive Director of our Company. He was appointed to our Board on November 26, 2019. He holds a master's degree in business administration from the University of Chicago and a master's degree in computer science from Arizona State University. He has a bachelor's degree in computer engineering from the University of Bombay. He has several years of experience in private equity. He is a Founding Partner of GEF Capital Partners and co-head of the South Asia investment practice.



Mr. Rajendra Gogri
Independent (Additional) Director

Rajendra Gogri is an Additional Independent Director of our Company. He was appointed to our Board on June 25, 2020. He holds a Master's degree in Chemical Engineering from Iowa University, USA, and is a rank holder from UDCT Institute, Mumbai. In addition to his technical expertise, he is adept at handling financial and commercial matters as well. Mr. Gogri has been awarded the prestigious 'Distinguished Alumnus Award' from UDCT in 1995 for excellent performance as an 'Entrepreneur in Chemical Industry'. He was recently honoured with the 'Hurun Most Respected Entrepreneur of the Year - India' award in the year 2019. In the same year, he was also presented by Indian Chemical Council with the 'Lala Shriram National Award' for the leadership in the chemical industry. He is the Chairman and Managing Director of Aarti Industries Limited.



Mr. Satish Chavva
Nominee (Additional) Director

Satish Chavva is an Additional Nominee Director of our Company. He was appointed to our Board on June 25, 2020. Mr. Satish Chavva has over 20 years of experience including 14 years in Private Equity. Prior to working in private equity, he worked as an Investment Banker with Citigroup in London. He has also worked with IBM in London and Trilogy in Austin (Texas). He has an MBA from INSEAD, MS from University of Texas at Austin and B.Tech from Indian Institute of Technology Bombay. He is Director-Investments with Oman India Joint Investment Fund.

Top Management



Mr. Shyam Sharda

Vice President & Chief Financial Officer

He has been employed with our Company since January 21, 2015. He holds bachelor's degree in commerce from Jodhpur (Rajasthan) University and is also an associate of Institute of Chartered Accountants of India. He has previously worked with S. Kumar Nationwide and United Phosphorus Limited. He has more than 20 years of experience in the field of finance, accounts and taxation.



Mr. Umesh Pillai

National Head Sales & Marketing –Trubore

He has been employed with our Company since June 3, 2019. He holds a post graduate diploma in business management from SVKM'S NMIMS (deemed to be University), Mumbai, and bachelor's degree in electrical engineering from Sambalpur University. He has previously worked with PPG Asian Paints Private Limited, and Godrej and Boyce Mfg. Co. Ltd. He has several years of experience in the field of sales and marketing.



Mr. Vininder Singh Baweja

Chief Operations Officer

He has been employed with our Company since July 26, 2019. He holds a bachelor of engineering degree from Punjab Technical University and MBA from Indian Institute of Technology, Roorkee. He has previously worked with Eicher Motors and Hindustan Unilever Limited. He has over 16 years of experience in the field of IT.



Mr. Prakash Hegde

Vice President & Chief Human Resources Officer

He has been employed with our Company since June 3, 2013. He holds a diploma degree in labour law (honours) from Bharatratna Dr. Babasaheb Ambedkar Institute of Management and Legal Research and a postgraduate certificate in human resource management (HRM) from Xavier School of Management. He has completed the part-time executive programme in HRM from Indian Institute of Management, Lucknow. He has previously worked with TBZ Limited and Bharat Gears Limited. He has more than 30 years of experience in the field of HR and administration functions.



Mr. Ashok Mehra

Vice President –Sales & Marketing –Prince

He has been employed with our Company since April 6, 2017. He holds a bachelor's degree in engineering (mechanical) and a master's degree in marketing management from Mumbai University. He has previously worked with Jaquar & Company Private Limited, Pidilite Industries Limited, Sherwin-Williams Paints India Private Limited and Birla Yamaha Limited. He has over 30 years of experience in the field of sales & marketing.



Ms. Heena P. Chheda

Vice President – Finance and Accounts

She has been employed with our Company since 2009. She was on the Board of the Company from October 01, 2016 till November 28, 2020. She holds a bachelor's degree in commerce from the University of Bombay. She has more than 15 years of experience in the piping industry.



Mr. Hemant Kumar

Vice President –Sales & Marketing New Product Development

He has been employed with our Company since April 17, 2006. He holds a bachelor's degree in science from University of Poona and a diploma in marketing management from the Symbiosis Institute of Management. He has previously worked with Varsha Agro Plast Private Limited. He has more than 35 years of experience in the field of marketing.

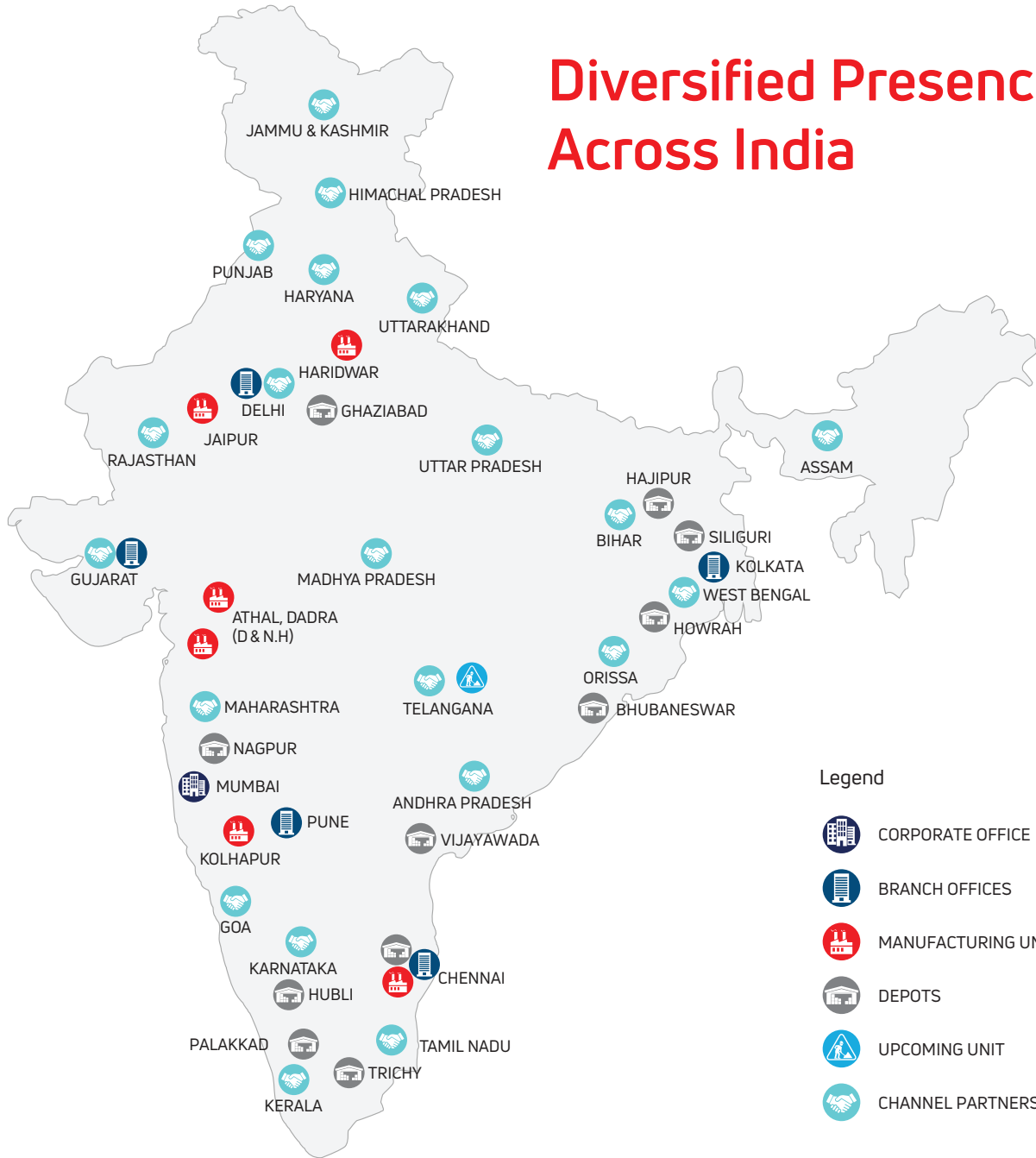


Mr. Nihar Chheda

AVP Corporate Strategy

Nihar Chheda is the Associate Vice President, Corporate Strategy at Prince Pipes and Fittings Limited. Nihar has been actively involved in growing the business since the IPO, engaging with key stake holders. He works closely with the team focusing on expanding the pan India distribution network to build a base of quality distributors with strong relationships with the company, well aligned to the company's long term vision. He is also responsible in anchoring the company's raw materials procurement strategy that has illustrated encouraging results by driving cost efficiencies. Nihar is a graduate in Industrial Engineering from Purdue University USA.

Diversified Presence Across India



Legend

- CORPORATE OFFICE
- BRANCH OFFICES
- MANUFACTURING UNITS
- DEPOTS
- UPCOMING UNIT
- CHANNEL PARTNERS

6

Strategically located State of the Art Manufacturing facilities at Haridwar, Jaipur, Athal, Dadra, Chennai, Kolhapur

1

State-of-the-art Upcoming plant at Telangana

1408

Channel Partners supports Pan India Distribution Network

11

Depots to focus on efficient supply & timely service

Manufacturing Units

State of the art manufacturing units producing piping system



TELANGANA
UPCOMING



JAIPUR
2019



KOLHAPUR
2012



CHENNAI
2012



HARIDWAR
2008



DADRA
2000



ATHAL
1995

With all our 6 manufacturing units strategically located, we not only ensure faster delivery across regions but also cost-efficiency as freight constitutes a significant part of our cost structure. The newest plant was commissioned in Jaipur, Rajasthan in September 2019. Designed on the green building concept, the plant covers 20 acres of the sprawling 80-acre campus and has special provisions for glare-free daylight and forced ventilation, providing comfortable working environment for our staff and associates. The current extrusion plant would majorly be manufacturing UPVC, CPVC and DWC pipes, and is well-equipped with state-of-the-art machinery, end-to-end process automation technology, 100% energy efficient utilities and the latest security & tracking systems. It has been designed for synergized man-material movement while maintaining restricted access to critical areas of material compounding. The plant's hi-tech facilities will further strengthen the Company's competitive advantages and help in establishing a greater foot hold in Rajasthan and Northern India. As on 31st March 2020 the Jaipur plant's capacity stands at 20,909 tons per annum. In order to scale up our distribution and to penetrate in Southern India, we are in the process of setting up an integrated pipes and fittings manufacturing facility in Sangareddy, Telangana with a total estimated installed capacity of 51,943 tons per annum. The production is expected to commence in FY21. Additionally, the Company has also empanelled five contract manufacturers of which two are in Aurangabad (Maharashtra), one in Guntur (Andhra Pradesh), one in Balasore (Odisha) and one in Hajipur (Bihar). This asset light model, is aimed at achieving an early-mover advantage in catering to the needs of Eastern India.

Product Portfolio

With our experience and modern techniques we have become one of the leading organizations in PVC industry. Our innovations in manufacturing from GI (galvanized iron) pipes to cost-effective and versatile lead-free CPVC and UPVC pipes for industrial and domestic applications are known for their high functionality and special features. Our philosophy of "Every Drop Saved is a Life Saved" has driven us to become pioneers in the agricultural fittings segment. We are constantly improving our product mix of pipes and fittings to maximize our margins.

Plumbing & Industrial Solutions



EASYFIT®
UPVC Plumbing Systems



SMARTFIT®
CPVC Plumbing Systems



GREENFIT®
PPR Plumbing & Industrial Systems

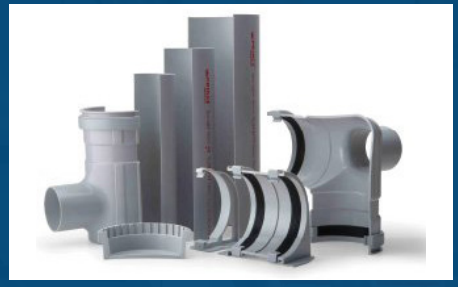
Soil, Waste & Rainwater ("SWR") Solutions



SILENTFIT®
Low Noise SWR Systems



ULTRAFIT™
SWR Piping Systems



RAINFIT®
Roofwater Systems

Underground Drainage Solutions



FOAMFIT®

Underground Drainage
Piping Systems



DRAINFIT™

UPVC Underground
Drainage Piping Systems



CORFIT®

Underground Double Wall
Corrugated Pipes

Irrigation Solutions



AQUAFIT®

Agriculture Piping Systems



SAFEFIT®

Borewell Systems

Other Product



EASYFIT® RE

Reclaim Piping Systems



DURAFIT™

FRP Manhole & Chamber Covers



PRINCE STOREFIT™

Paani Ka Bank

Awards & Achievements

2010

Award for outstanding quality contribution in the pipe sector in EPC World Awards, 2010

2014

Mr. Jayant Chheda - CMD was awarded the 'Lifetime Achievement Award' at the Vinyl India Conference, 2014

2015

National Awards for Excellence in Learning & Development

2015

Silver certificate of merit at the Frost & Sullivan Indian Manufacturing Excellence Awards 2015

2015

Award from the Brihanmumbai Licensed Plumbers Association in recognition of Company's outstanding contribution to the plumbing industry

2016

Digital Transformation Awards 2016 – Transformation with Cloud Networking by Citrix

2016

Certificate of appreciation for active association at the Gujarat Premier 10th Mega Industrial Exhibition VCCI Global Trade Show 2016

2016

Mr. Parag Chheda - JMD was awarded the 'Inspiring Business Leader Award' at the Economic Times Summit, 2016

2017

The Economic Times Polymers Awards 2017 – for Excellence in Building and Construction (Plumbing) Large Enterprises

Management Discussion & Analysis

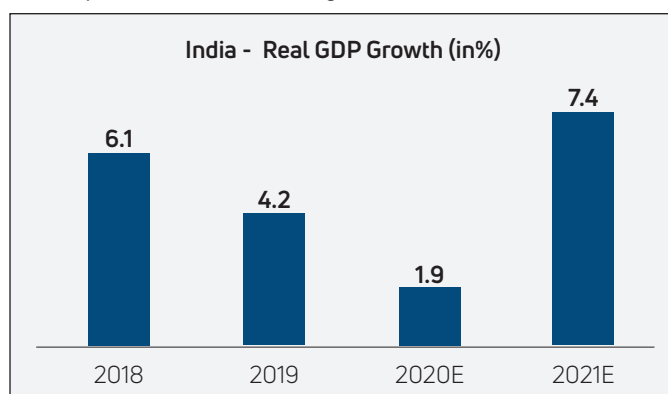
Economy Overview

Global Economy

The Global economy was already in a precarious place in early 2019, but was stabilizing until the Covid-19 hit. In 2020, the risk of global recession is extremely high as the outbreak of the Novel Coronavirus (Covid-19) would have a triple-whammy impact on the global economy. The pandemic has triggered major supply-chain disruptions due to containment attempts in China and other economies across a number of industries; severe demand shocks across discretionary spend categories as well as domestic lockdowns and increasing government spending towards relief measures might lead to financial crisis. The adverse economic impact would push the global economy toward recession as IMF in its April 2020 outlook, projected the world economy to contract by 3% in 2020, surpassing that seen during the global financial crisis in 2009. However a partial recovery is expected in 2021 with considerable uncertainty about the strength of the rebound.

Indian Economy

India is projected to be the third largest consumer economy, as its consumption is expected to triple to US\$ 5 trillion by 2025. India is likely to gain upper-middle-income status behind a rapidly growing middle class with higher spending power, digitization, globalization, favourable demographics and Government reforms and initiatives. The Indian economy is not totally insulated from global economic shocks. The key reasons for this are the spread of COVID-19 and the subsequent national lockdown that has enforced crippling of most economic and commercial activities. As a result, according to IMF, India's real GDP growth rate is expected to move from 4.2% in 2019 to 1.9% in 2020. However, unlike other markets, India has the potential to bounce back much faster and be on track to have a USD 5 trillion economy by 2025. Eventually, the containment and duration of domestic lockdown, the extent of global slump, and domestic policy support to recovery will decide the shape of economic recovery.



Source: IMF World Economic Outlook April 2020; 'E' stands for expected

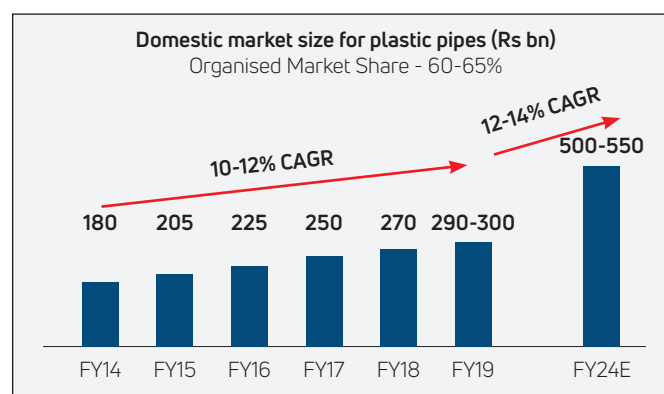
The Inflation measured by the Consumer Price Index (CPI), remained below target for 13 consecutive months until Q2:2019-20. It exceeded the upper tolerance ceiling of 6% by December 2019 and peaked at 7.6% by January 2020 before being moderated to 5.9% by March 2020. The PMI for manufacturing fell to 51.8 in March 2020 from a peak of 54.5 in February 2020 as the output and new orders rose at a softer pace, with exports falling the most since September 2013 amid widespread lockdowns due to the coronavirus pandemic. However, to combat the current situation, RBI is constantly taking various steps to inject large liquidity into the system through open market transactions and reducing cash reserve ratios, reverse repo rate, providing three months moratorium on loan etc. ensuring stability in the financial markets.

Industry Overview

Indian Plastic Pipe and Fittings Market

The growth in Indian plastic pipes and fittings industry is driven by investments in the agriculture and construction space, namely irrigation, water supply and sanitation (WSS), as well as in housing. Investments in these industries are closely linked to the Indian GDP growth. The size of Indian plastic pipes and fittings industry was estimated at ₹ 290-300 bn in FY19. The industry rose at a healthy 10%-12% CAGR between FY14 and FY19 driven by rising demand from the construction and irrigation sectors. This was further aided by increased awareness, adoption and substitution of metal pipes by plastic pipes due to their lower price, higher longevity, relative resistance to leakage, and easy installation. The organised segment in the pipes and fittings industry accounts for a 60-65% share of the country's plastic pipes industry.

The industry is expected to reach ₹ 500 bn by FY24 registering a CAGR of 12-14% over FY19-FY24.



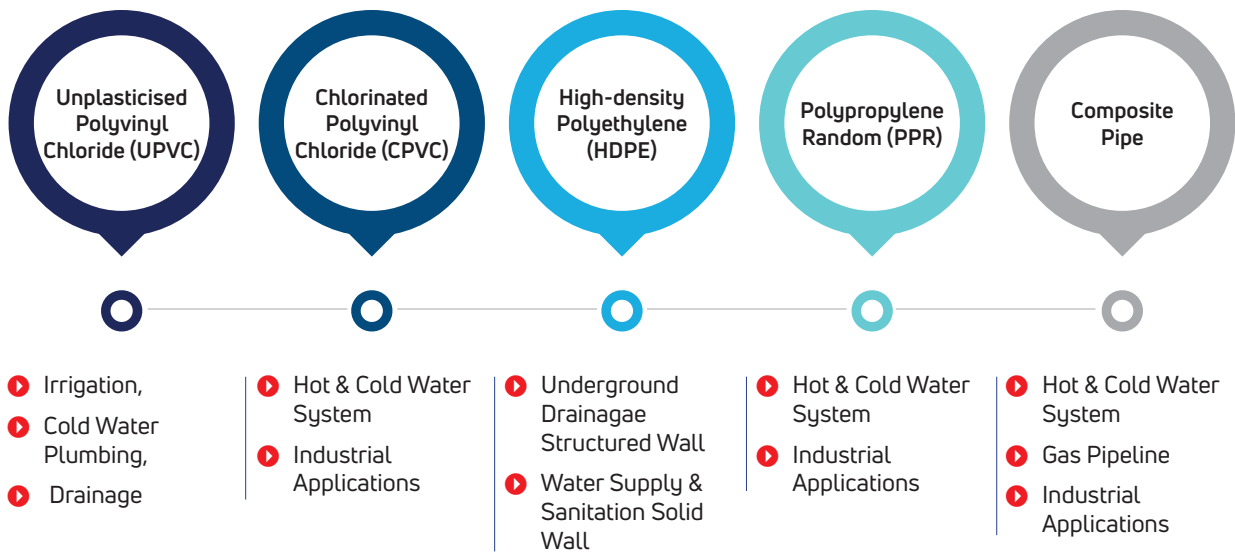
Source: CRISIL Research

Major industry growth drivers include the following:

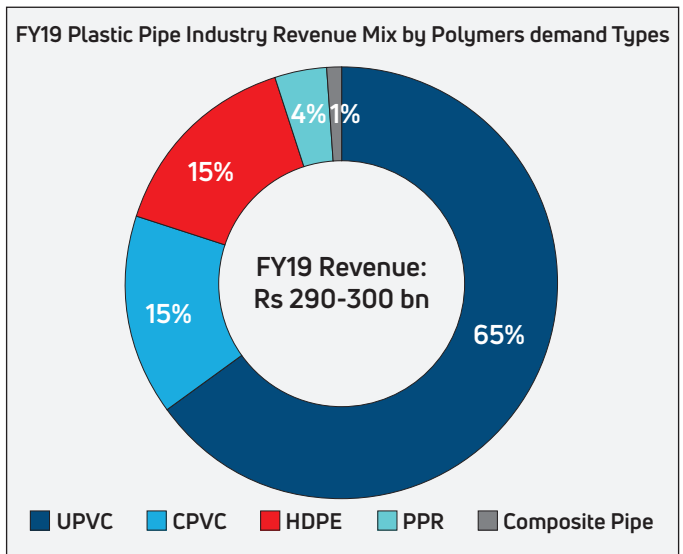
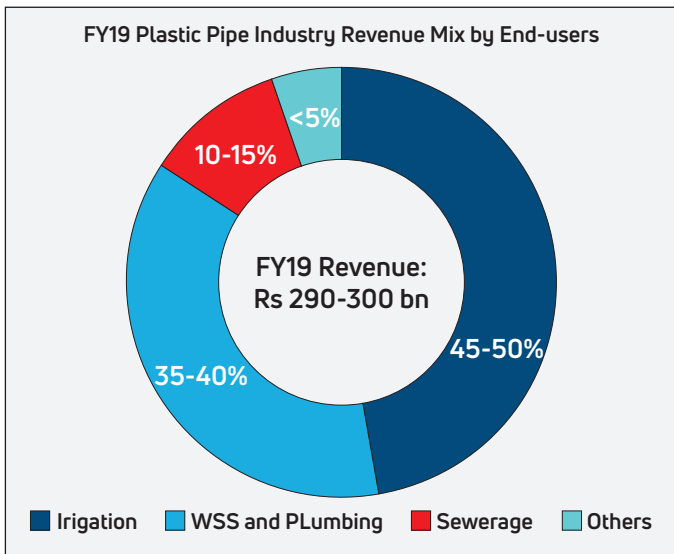
- ▶ Government’s focus on irrigation (increasing area under irrigation), WSS projects (focus on urban infrastructure) and real estate sector (Housing for All by 2022).
- ▶ An expected increase in India’s per capita plastic consumption (from the current 11kg as compared to global average of 30kg).
- ▶ Substitution and Replacement demand: an increase in the application of CPVC (which are expensive and placed high on qualitative parameters vs. UPVC pipes).
- ▶ Consolidation in the plastic pipes industry to help organised pan India players.

Types of Polymers & Applications

Plastic pipes are made of different types of polymers and are primarily used in irrigation and WSS projects.



UPVC represents 65% of the industry demand mainly used in irrigation. CRISIL Research expects future demand to be driven by increasing application of HDPE and CPVC pipes.



Source: CRISIL Research

Growth drivers for the sector

Irrigation

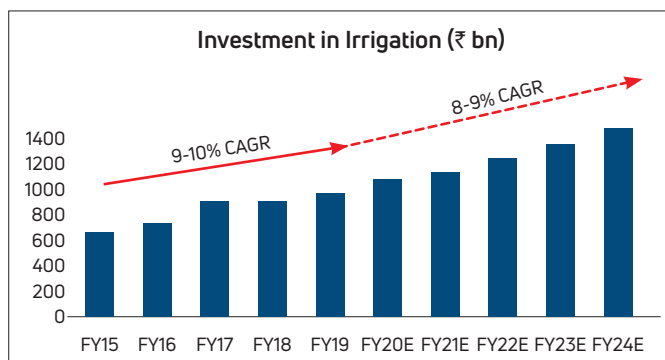
The irrigation sector is the biggest end-user segment for plastic pipes, accounting for 45-50% share of the industry. Roughly 50% of arable land is still not irrigated and 63% of irrigated land is dependent on tube wells, which are at the mercy of the monsoons. This provides a multi-year opportunity for agri pipes in India. Thus, the Government of India (GoI) has increased its focus on improving irrigation coverage area, which is expected to drive demand for PVC plastic pipes over the medium-to-long term.

GoI has also launched a flagship programme, “Pradhan Mantri Krishi Sinchai Yojana” with an outlay of ₹ 500 bn over FY16 to FY20 with an objective of enhancing the area under cultivation. Formulated with the vision of increasing irrigation coverage and improving water efficiency, its ‘Per Drop More Crop’ initiative focuses on micro irrigation systems (sprinkler, drip, pivots, rain-guns etc.) to promote precision farming by making water easily available. To support the programme, the GoI has approved a corpus of ₹ 50 bn for setting up a dedicated “Micro Irrigation Fund” with NABARD.

The GoI has created two basic dedicated funds – a long term irrigation fund and a micro irrigation fund with an initial outlay of ₹450 billion for financing these projects.

At present, the irrigation sector has 182 projects in its pipeline with an investment outlay of more than ₹7 trillion based on the projects tracked by India Infrastructure Research in 2019

Overall irrigation investments are expected to be around ₹ 6,400 bn over FY19-FY24 as compared to approximately ₹ 3,900 bn over the past five years (FY14-FY19). Nearly 75% of the total investment in irrigation is expected to be towards construction, which will provide support to the pipes and fittings industry. During the period FY14-FY19, 75% of irrigation investments were made in top seven states - Andhra Pradesh, Telangana, Maharashtra, Karnataka, Gujarat, Madhya Pradesh and Uttar Pradesh whose average achievement ratio stood at 95% in the past few years. Recently, other states like Odisha, Rajasthan and Chhattisgarh have significantly increased their allocations towards irrigation.



Source: CRISIL Research

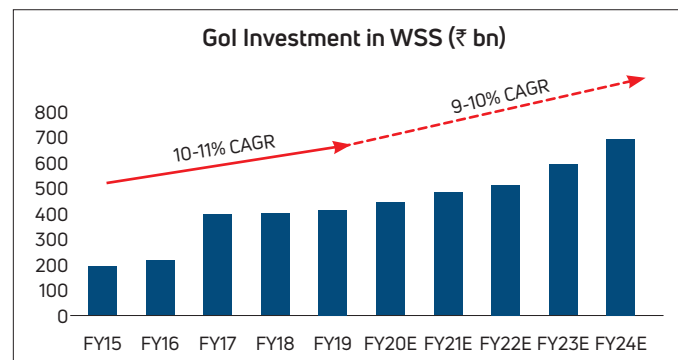
Water supply and sanitation (WSS) and plumbing

WSS and plumbing are the second largest end-user segments for plastic pipes, accounting for 35-40% share of the plastic pipes market. Water is an essential resource and the GoI has taken initiatives to conserve and reuse it. Accordingly, the Jal Shakti Abhiyan (JSA) has been launched in 2019 to speed up water conservation in the most water stressed blocks and districts of India. As per Economic Survey 2019-20, JSA has delivered over 3.5 lakh tonnes of water in 256 districts through rain water harvesting, rejuvenation of traditional water bodies, implementation of water conservation tactics, and watershed development projects.

The plastic pipe industry has witnessed a good demand in the past five years from the central government’s high spending on urban development projects such as Atal Mission for Rejuvenation and Urban Transformation (AMRUT); Smart Cities Project etc. AMRUT aims at establishing an infrastructure that could ensure adequate water supply and robust sewage networks in 500 towns.

As per Union Budget 2020-21, Central Government has allocated ₹ 16.29 lakh crore for Urban infra which includes AMRUT, SMART Cities, Mass Rapid Transit System (MRTS), Affordable Housing, Jal Jeevan Mission etc. Besides, Rs.3.60 Lakh crore has been approved for Jal-Jeevan Mission which will be majorly driven by the recently proposed “Nal se Jal” scheme to achieve the objective of improving water level in water stressed districts of the country (Source: Union Budget 2020-21)

It is estimated that GoI has invested around ₹ 1,753 bn over FY14-FY19 in WSS segment. WSS investments are expected to be around ₹ 2,924 bn over the next five years, i.e., from FY19-FY24. The growth in investment will be driven by the recently proposed “Nal se Jal” scheme, a component of the Jal Jivan Mission, which promises to provide piped drinking water to every household in the country by 2024. GoI schemes such as the Swachh Bharat Mission and the National Mission for Clean Ganga (NMCG) are further likely to boost WSS investments.



Source: CRISIL Research

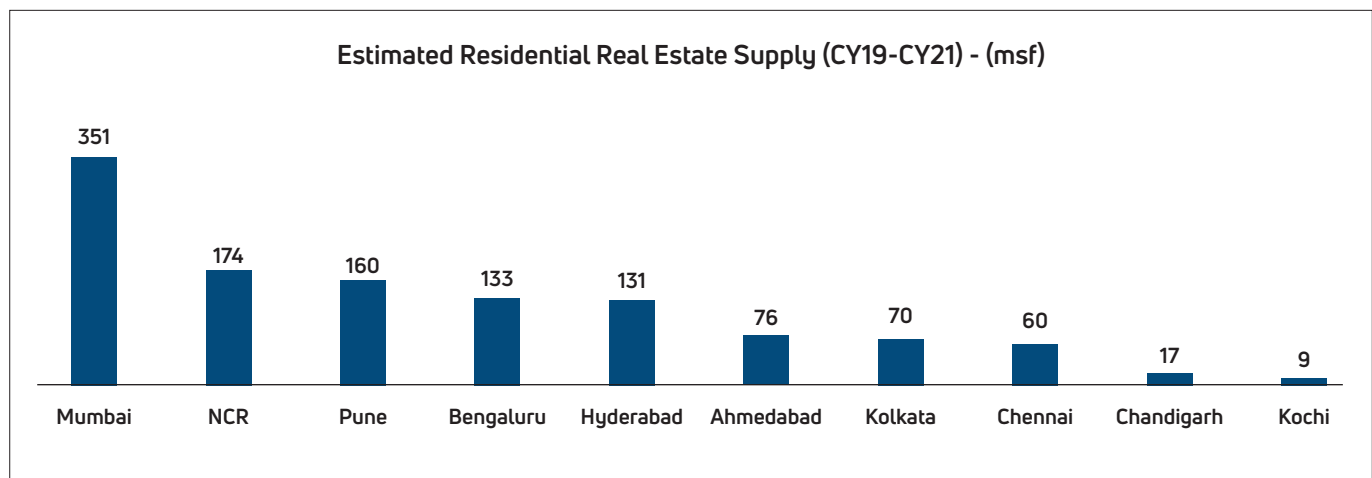
Real Estate Sector

Real estate is a key end-user sector for plastic pipes and fittings in India. Over the last few years, end-user demand for real estate has been sluggish. Developers were facing challenges, which

include declining sales, delay in approvals, negative free cash flows, stricter regulatory compliance under RERA and slowdown in lending from banks and non-bank finance companies. The reformative steps brought into the real estate sector over the last 2-3 years will enhance transparency along with financial discipline and increased efficiency. The current estimated market size of the industry is ₹120 bn for FY20. By 2030, the Indian real estate industry is expected to touch ₹650 bn, becoming the third largest globally.

Some of the key growth drivers for real estate demand are below: -

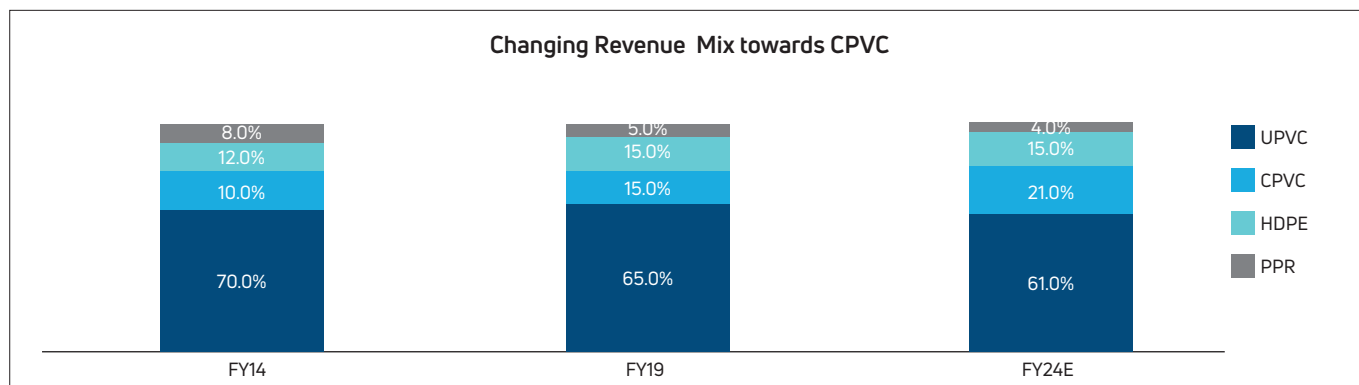
- ▶ **Urbanisation:** Rising income and employment opportunities have led to growing urbanisation and higher demand for affordable housing
 - ▶ **Traction in tier II and III cities and surging demand from rural sector:** The healthy growth trajectory is expected in these areas. Developers with income generating assets, healthy balance sheets and brand recognition are in a better position to increase rural penetration.
 - ▶ **Affordable Housing and Housing for All:** Backed by several Government reforms, growing population and developer realignment of product-mix, the focus has now been shifted
- ▶ **Government Policies and Initiatives:** The Government has initiated several measures to improve prospects of the Real-Estate sector. The RERA, Benami Transactions Act, impetus for affordable housing construction, reduction of GST rates, Interest subsidy and tax saving schemes for home buyers are some of the initiatives undertaken by the government during the last couple of years.
 - ▶ **Increasing trend of Co-living:** Developers are now diversifying and exploring new arenas providing solutions to niche segments like senior living communities, co-living and co-working spaces, student housing options, healthcare facilities and other segments like townships and plotted developments.
 - ▶ **Industry estimates 1.16bn sqft of housing supply under execution across select cities (NCR, Mumbai, Bengaluru, Pune, Hyderabad, Kolkata, Chennai, Ahmedabad, Chandigarh and Kochi) will come on stream by CY21.**



Source: CRISIL Research

Substitution and replacement demand with CPVC gaining prominence

Demand growth of CPVC segment over the past five fiscal years (FY14-FY19) has been the highest among pipes, as CPVC pipes in India are still at a nascent stage and have huge potential due to competitive advantage such as longevity, being corrosion free, being fire resistant, being lead-free, and their ability to withstand high temperatures. Industry expects CPVC is expected to record 20-21% CAGR over FY19-FY24E and its revenue share is expected to increase from 15% of the industry in FY19 to above 20% in FY24. Further, CPVC segment provides branded players an opportunity to increase their market share given technological barriers for the category (currently, all CPVC polymer is imported into India making it difficult for unorganised players). Demand for HDPE pipes will be driven by government schemes such as PMKSY (drip and sprinkler irrigation) and WSS projects (large diameter sewerage pipes). Moreover, replacement of older pipes with plastic pipes will further increase demand. According to industry estimates, the replacement market accounts for roughly 25% of plumbing pipe demand in India.



Source: CRISIL Research

Consolidation in plastic pipes industry to help organised players:

Due to the sharp increase in PVC resin prices, NBFC financial crisis, sluggish demand environment in FY19, GST, Demonetisation, high custom duty on CPVC resin from China and South Korea and BIS Strict implementation of Quality norms various small and mid-sized national and regional players are facing major balance sheet constraints. This has pushed many unorganized players out of the market, eventually leading to market share gains for large players. Further, leading plastic pipe companies are expected to gain market shares in near future due to industry consolidation largely because of weak balance sheets of few large organized players and tight liquidity position of small unorganized players.

Company Overview

Incorporated in 1987, Prince Pipes and Fittings Ltd. (hereafter to be referred as PPFL/ the Company), is one of the leading polymer pipe and fitting manufacturers in India. The Company has more than 3 decades of experience in manufacturing polymer pipes using four different polymers -UPVC, CPVC, PPR and HDPE. The Company's products are marketed under two brand names: Prince Piping Systems and Trubore. The Company has a comprehensive product range of more than 7,167 SKUs and is positioned as an end-to end polymer piping systems solution provider. These products are used for varied applications in plumbing, irrigation and soil and waste and rain water management. The product range meets the requirements of both the rural and urban markets. PPFL also provides Borewell systems for groundwater extraction.

The Company has a strong pan-India presence through its 6 state-of-the-art manufacturing units located across the country at Athal(Dadra and Nagar Haveli), Dadra(Dadra and Nagar Haveli), Haridwar(Uttarakhand), Kolhapur(Maharashtra), Chennai(Tamil Nadu) and Jaipur(Rajasthan).

Business Strength

Strong brand recognition:

PPFL is ranked amongst the top five processors in India (in a highly fragmented pipes industry) with a market share of approximately 5.5% in FY20. The Company has a strong brand legacy of more than 3 decades in the pipes segment and more than two decades in the fittings segment. Various brand building marketing initiatives for both Prince Piping Systems and Trubore have built strong brand recall and today are among the preferred consumer brands across the country.

Extensive and growing distribution network

PPFL has a strong command on combination of urban, semi urban, Tier II, Tier III towns as well as rural markets network. With over 1,408 Channel Partners and distributors spread across different regions, the Company has extensive presence in North and South India. The Company has 1,151 distributors under Prince brand and 257 Trubore brand distributors. Trubore brand has only presence in south India whereas Prince brand has pan India presence. In addition the Company currently has 11 warehouses on lease to focus on efficient supply & timely services.

Strategically located manufacturing facilities

Freight is an important factor for pipes due to their size. Therefore, it establishes a competitive advantage when plants are located near raw material sources/ports and principal markets to improve cost efficiencies. PPFL has six strategically located manufacturing plants which has enabled it to develop a strong presence in North, West and South India. As on 31st March 2020, the total installed capacity of the company stands at 2,55,899 tonnes per annum (TPA). The Company also uses five contract manufacturers, of which two are in Aurangabad (Maharashtra), one is in Guntur (Andhra Pradesh), one is in Balasore (Odisha) and one is in Hajipur (Bihar). PPFL is also setting up a new manufacturing plant in Sangareddy (Telangana) with an estimated installed capacity of 51,943 TPA to further expand its geographical presence and reduce freight cost.

Manufacturing plants and capacities

Plant Location	Installed Capacity (TPA)	Production Capacity (TPA)	Products	Year of Establishment
Athal (UT of Dadra and Nagar Haveli)	15,982	13,555	Fittings	1995
Dadra (UT of Dadra and Nagar Haveli)	59,232	44,989	Pipes	2000
Haridwar (Uttarakhand)	77,588	60,383	Pipes and fittings	2008
Chennai (Tamil Nadu)	62,143	46,518	Pipes	2012
Kolhapur (Maharashtra)	20,045	15,334	Pipes	2012
Jaipur (Rajasthan)	20,909	15,995	Pipes	2019
Total	2,55,899	1,96,775		

Technical collaboration with reputed International players:

Wavin Overseas B.V based in Netherland is a world leader in plastic process technology and we had a technical collaboration in the areas of process improvement which resulted in improvement in productivity. It also enabled us in cost reduction thereby improving our per kg realization of moulded products and we have been able to sustain this over many quarters and going forward we will be able to transfer this experience to all our processes.

Comprehensive product portfolio across polymers serving diverse end-use applications

PPFL is one of the few companies in India to manufacture products across major polymers. The Company has a wide range of 7,167 SKU's finding applications across Plumbing, Sewage, Irrigation, Industrial and Underground Drainage. Presently, the Company manufactures polymer pipes using four different polymers: UPVC; CPVC; PPR; and HDPE, and fittings using three different polymers: UPVC; CPVC; and PPR. With the use of robust Manufacturing process the Company creates extremely efficient piping systems. PPFL has one of the highest fittings mix (value-added product).

Business Strategies

Expansion of distribution network: One of the major factors contributing to PPFL's success is the presence of its brand in regional markets and across India. The Company plans to increase sales of Prince Piping System products by increasing the number of retailers who stock its products (typically served through distributors). In addition to expanding sales into cities where its products are not currently sold, the Company also targets to consolidate its position in areas where it already has a strong presence. PPFL targets network expansion along with a multipronged marketing strategy for achieving goal of being a preferred brand amongst brands. The industry is heavily skewed towards retail sales and hence the Company too increased its

focus on marketing and branding through various initiatives with the induction of Mr. Akshay Kumar as brand ambassador.

Continue to optimize product mix to improve margins

PPFL continuously aims at growing and changing its product mix to higher margin segments like plumbing and Drainage system. The fittings segment typically earns higher margins due to the specialised nature and precision required vis-à-vis the pipes segment. The Company has added in-house capabilities for manufacturing of plumbing ball valves of the running sizes at Haridwar plant. Eventually the Company targets to increase these capabilities to become an integrated manufacturer of pipes, fittings, solvents and now valves as well. This will transform PPFL from being a pipe processor into an integrated system as well as end-to-end solution provider.

Expand the Trubore brand to New Product lines and New States:

Trubore brand is now considered a premium brand and its products are currently sold mainly in Tamil Nadu primarily to the agriculture segment. PPFL plans to increase the product portfolio under the Trubore brand to cater to the building industry and infrastructure segment & also start selling this brand in new geographies.

Set up a new manufacturing plant in Telangana and expand capacity at Jaipur Plant

The Company is all set to introduce a new plant at Sangareddy (Telangana) with a total installed estimated capacity of 51,943 MTPA which will be operational by FY22. Currently PPFL caters to south market mainly by two plants i.e. Chennai plant and Haridwar plant. Opening of new plant in Telangana will help the Company to have effective presence in south India market. Our Jaipur plant has commenced commercial production in H1 FY20 and capacity is expanded to 20,909 TPA as on March 31, 2020. The plant has been constructed so that its installed capacity can be increased to up to 40,621 TPA based on machine availability and market demand for the products.

Increase sales of DWC pipes

Double Wall Corrugated (DWC) pipes are pipes with full circular dual-wall cross-section, with an outer corrugated pipe wall, a smooth inner surface and are used in the sewerage and drainage industry. These pipes have been gaining prominence over traditional metal and cement pipes, due to durability, low maintenance and longevity PPFL has invested about ₹ 400 million to set up capacity of 36,624 TPA which is spread across Chennai, Dadra and Haridwar plants and is one of the highest in the industry. Additionally, the Company has contracted for 5,544 TPA in Aurangabad (Maharashtra) for western region. In FY20, the Company has received a patent for innovative and technologically superior product design of the DWC Coupler. Being the first mover with the wide range of DWC products, PPFL has demonstrated its strategy of providing wide product range and the product designs as a brands differentiator. The Company plans to leverage its multi-location manufacturing network to become the first one to manufacture DWC at all its plants across the country. This will significantly help the Company with the competitive advantage and to demonstrate its execution capabilities.

Brand building and marketing strategy

PPFL's both the brands Prince Piping Systems and Trubore enjoys strong loyalty from distributors and consumers. This has enabled the Company to augment its brands aggressively through various ways such as customer loyalty program, Below the Line (BTL) promotions, above the line (ATL) promotions and social media engagements. The Company appointed Mr. Akshay Kumar (Bollywood actor) as a brand ambassador in 2018 in order to enhance brand equity further on homeowners, plumbers, farmers and to foray into B2C segment. Apart from usual hoardings and shop boards, PPFL used two unique mediums for brand play – "Winning in Many Indias". Firstly, the Company used multi-state single strategy of transit media to build the brand. This includes the most popular regional mode of transport for example, the Delhi metro, Mumbai local train, and buses in South India etc. Secondly, PPFL has created a film co-branding strategy with Akshay Kumar's film 'Mission Mangal' in FY20.

The Company's online and social media marketing strategy for the next five years is to popularize its brands by increasing digital footprint, such as by developing separate websites for Prince Piping Systems and Trubore brands. As a part of marketing strategy, PPFL aims to increase its presence across popular social media platforms by focusing on cost effective mediums such as digital and mobile solutions like Facebook, Instagram, Twitter and various e-commerce B2B portals.

PPFL also conducts Parivaar and Mitra Meets which includes dealers meet, plumber meets etc. to build confidence, influence community, resolve issues or queries and introduce new products with their features, benefits and applications.

Improving cost-efficiency

In order to reduce the operational cost and achieve a sustainable goal, PPFL is planning to utilise renewable energy sources at multiple factories. At Chennai Plant, the Company has already started connecting wind energy and will soon start harnessing solar power through the opex model. On completion, almost 25% of Chennai plant will be running through the renewable energy and will lead to savings on conversion cost. The Company is further planning to harness the solar power at Haridwar, Jaipur, Dadra and other plants in a phased manner.

IPO to meet funding requirement

In December 2019, PPFL raised ₹ 5,000 million via initial public offering (IPO) comprising of ₹ 2,500 million through a fresh issue of 14.04 million equity shares at an offer price of ₹ 178 per share and another ₹ 2,500 million through an offer for sale of 14.04 million equity shares by existing shareholders. Pursuant to the IPO, the equity shares of the Company have got listed on BSE limited and National stock exchange of India limited on December 30, 2019. The IPO proceeds are intended to be used for setting up the plant at Telangana, upgradation of equipment at our manufacturing facilities and also for repayment of the debt.

Financial highlights

(Figures in ₹ Million)	FY20	FY19
Revenues	16,356.57	15,718.69
Other Income	69.43	71.25
EBITDA	2,287.79	1,840.62
PBT	1,505.74	1,113.11
PAT	1,125.07	821.32

Key financial ratios

Ratios	FY20	FY19	Change
Debtors Turnover (x)	7.6	6.4	18.8%
Inventory Turnover (x)	6	7.1	-15.5%
Interest Coverage Ratio (x)	6.4	4.5	42.2%
Current Ratio (x)	1.7	1.1	54.5%
Debt Equity Ratio (x)	0.31	0.74	-58.1%
Operating Profit Margin (%)	14.0%	11.7%	2.3%
Net Profit Margin (%)	6.9%	5.2%	1.7%
Return on Equity– RoE (%)	18.2%	23.0%	-4.8%

Channel financing

In order to enhance the sales of our products, we provide channel financing facility to our distributors which is a flexible mode of financing working capital requirements. Our Channel Financing

facility helps the channel partners or key distributors to get an access to working capital financing at better rate, which helps them take up large projects that otherwise would have been unable to execute due to working capital constraints. The facility is provided by the bank to the channel partners based on the strength of their business relationship with our Company.

Risk and Mitigation

Economy risk : The plastic pipes industry derives the majority of its demand from plumbing, irrigation, water transportation and sewerage applications, which in turn depends on the level of activity in residential, non-residential construction, agriculture and industrial spaces. Any Industry slowdown will impact PPFL's financial performance adversely.

Mitigation measures : The performance of these industries and consequently the demand for PPFL's products in these segments, are dependent on economic and other factors such as government policies, regulations and budgetary allocations as well as investments made in these industries and segments. However, the increasing government expenditure and investment towards housing and sanitation, building and construction, irrigation, and environmental protection activities through various schemes such as housing for all and making 100 smart cities etc. will provide immense opportunities for India PVC pipes market players and specially the organised player like PPFL to maintain sustainable growth in future.

Input risk: UPVC, CPVC, PPR and HPDE resins are the key raw materials used in the production, whose prices are largely dependent on crude oil price movement. Increase in price of raw materials may affect the profitability of the Company.

Mitigation measures: PPFL has the ability to pass on the increased cost to the customer in the form of increased prices of our products. In addition the Company's purchasing teams work in close coordination with suppliers to avail discounts for reducing the purchasing cost.

Competition risk: PPFL sells its products in highly competitive markets. The Company might receive high competition from its peers.

Mitigation measures: In order to remain competitive, the Company continuously strives to reduce its costs of production, transportation and distribution, and improve its operating efficiencies. The Company is poised to have significant competitive advantage due to its strategically located manufacturing facilities, wide distribution network, diversified range of products and ability to provide comprehensive plumbing, irrigation and SWR management solutions to the customers.

Operating risk: Operational efficiency forms the key factor for the profitability and sustainable growth for the Company and it

also determines the company's competitiveness against other players in the region.

Mitigation measures: The Company has put together an apt combination of people, processes and technology to optimize the business performance that leads to higher sustainable growth. Company's revenue from operations is affected by the number of new SKUs. PPFL has a product development team, which is responsible for introducing new products and variations of existing products. The team regularly interacts with the plumbing consultants and contractors to understand the demand for new products and variations in existing products

Foreign exchange risk: The Company imports some of the raw material and equipment/machinery utilized in manufacturing plants. Any unfavourable movements in the exchange rate would adversely affect the Company's financials and results of operations.

Mitigation measures: PPFL evaluates exchange rate exposure arising from foreign currency transactions on a continuous basis. To hedge its exposure to foreign currency risk the Company enters into a variety of derivative financial instruments like foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Credit risk: The majority of the sales are to distributors on an open credit basis with standard payment period between 15-30 days. If Company is unable to collect receivables, it could have an adverse effect on the company's performance and its business of operations.

Mitigation measures: The risk is partly mitigated as the Company generally purchases raw materials from domestic suppliers on credit terms of less than a week and purchase imported raw materials on credit terms of 90-150 days. However, the standard payment term with distributors is generally between 15-30 days. The Company uses working capital facilities to fund the timing difference between the payment for raw materials and the receipt of payment for manufactured products. In addition, the Company also use channel financing to optimise the working capital requirements and improve collections/debtor days.

Regulatory risk: The Indian government has imposed an anti-dumping duty (ADD) on CPVC resin/compound imports from China and Korea for a period of five years (valid up to February 2025). This move is followed by provisional anti-dumping duty announced on 26th August 2019. Industry's share of imports from China & South Korea stood at about 33% of the total imports between April-August 2019.

Mitigation measures: PPFL were sourcing CPVC resin from multiple sources including Korea, Japan, China and Europe. The Company has now stopped purchasing CPVC resin from Korea and China. Sourcing from other vendors lead to an increase in cost. However, being amongst the top players, the impact is

expected to be limited for PPFL as it will be able to pass on the increased cost to the customers in line with other market players.

Corporate Social Responsibility

PPFL committed constant innovations in plumbing, irrigation and sewerage technologies to meet the nation's constantly increasing water demands. The Company constantly strives to pave the way for a future that provides clean water for everyone and everywhere from the smallest villages to the largest cities. The Company has Corporate Social Responsibility ("CSR") Committee in place, to formulate and recommend CSR Policy to the Board a CSR policy, which shall indicate the activities to be undertaken by the Company, recommending the amount of expenditure to be incurred on the above-mentioned activities and to do such other acts, deeds and things in compliance with the applicable laws. The prescribed CSR funds that could not be spent during the year, the Company intends to spend the shortfall of the prescribed amounts on CSR projects after suitable identification of CSR Projects.

Human Capital

Human Resource is considered as vital to the success and future growth of the Company. PPFL is committed towards the well-being and development of employees through various initiatives such as performance and appraisal, learning management, talent management, internal and external training programmes etc. The Company focuses to provide opportunity for the development and enhancing the skill sets of its employees at all levels of the business. As of March 31, 2020 the Company had a workforce of 1,784 people on its rolls.

Environment, Health and Safety (EHS)

At PPFL, Environment, Health and Safety (EHS) is considered as crucial for sustainable business growth. The Company focuses to embed EHS in every aspect of the business. The Company continuously reduces environmental impact through optimal waste management and waste water/air emission treatment facilities. PPFL is focused on improving material efficiency, reducing waste generation and enhancing recovery and reuse of discarded material. All the plants & manufacturing facilities are equipped with almost negligible discharge effluent treatment plant and the Company continuously monitor & improve operations. In addition, PPFL is continuously implementing energy conservation programs & striving to achieving energy economies by investing in latest best available technologies.

GEF's South Asia Growth Fund II Holdings, LLC an investment fund dedicated to support energy and water efficiency in India and Bangladesh, has invested in PPFL and currently holds 5.39% stake as on March 2020. This fund invests in businesses promoting cleaner sources of energy and industrial production, efficient utilisation of energy and materials, and sustainable management of natural resources in South Asia.

EHS management system has been the most integrated part of PPFL at all manufacturing locations. The Company's primary objective is to protect and promote the Health & Safety of the people working within the facilities or visiting members at sites. Continual technological improvements in facility maintenance and operational practices are ensured to minimize the risks and associated health hazards. The Company is in compliance with all applicable laws relating to the environment, health and safety. In order to prevent injuries or violations of health and safety laws and regulations the Company has functional groups whose primary responsibility is to ensure implementation of effective work procedures throughout the organization and take necessary steps to ensure the health and safety of the workforce.

Technology

Technology is the key focus area for the Company as it is an important tool to drive, change and increase efficiency. Accordingly, PPFL is continuously improving technology across its manufacturing plants over the past few years. The Company has automated the pre and the post exclusion process to reduce the manpower cost. In order to avoid the manual feeding process, PPFL has implemented SCADA systems, which will help monitoring the real time and the live data. The Company has also adopted automation in non-core processes like pipe lifting and product packaging to further optimise the cost. All of these initiatives will not only act as a cost optimizer but also help PPFL to be a preferred brand.

Quality

PPFL has implemented and maintained a Quality Management System. All its manufacturing facilities are ISO 9001:2008 certified, except for Kolhapur and Jaipur plants. The Company has obtained ISO 14001:2015 certification for Haridwar, Dadra and Chennai plants and an EMS certification ISO 50001:2011 (relating to energy efficiency) for Chennai, Athal, Dadra, Kolhapur and Haridwar plants.

PPFL also has certification marks licenses from the Bureau of Indian Standards ("BIS") for wide range of Prince Piping System products that adhere to IS standards. SILENTFIT pipes are certified by Fraunhofer IBP, Germany. Trubore brand products adhere to IS, ASTM and other quality standards.

The Company uses techniques such as Kaizen, which refers to activities that continuously improve all functions and involve all employees from the top management to the production line workers. Well experienced and quality management ensures the products are of high quality and comply with applicable standards. The Company has in place the checks and testing systems from the procurement of raw material to the manufactured product for ensuring the quality of products. In addition, PPFL tracks multiple parameters, such as mean time between complaints, error repetition rate, customer complaint hit rate, cost of poor quality and percentage of wastage etc. and take corrective measures to maintain the quality of products.

Internal Control

PPFL has an adequate system of internal controls for business processes, operations, financial reporting, fraud control and compliance with applicable laws and regulations, among others. The Company has a strong team of professionals to manage the core functional areas such as finance, procurement, manufacturing, logistics, sales and marketing, human resources, and information technology. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. Regular internal audits and checks ensure that responsibilities are executed effectively. The Audit Committee along with the management actively reviews from time to time the performance of statutory / internal auditors, the adequacy and effectiveness of internal control systems and suggests improvements for strengthening the existing control system in view of changing business needs.

Cautionary Statement

Certain Statements found in the Management Discussion and Analysis may constitute "Forward Looking Statements" within the meaning of applicable securities laws and regulations. These forward looking statements involve known and unknown risks, uncertainties and other factors that are difficult to predict and which may cause our actual results, performance or achievements to be different from any future results, performance and achievements expressed or implied by these statements. In accordance with the Code of Corporate Governance approved by the Securities and Exchange Board of India, shareholders and readers are cautioned that in the case of data and information external to the Company, no representation is made on its accuracy or comprehensiveness though the same are based on sources thought to be reliable. The Company does not undertake to make any announcement in case any of these forward looking Statements become materially incorrect in future or any update made thereon.

BOARD'S REPORT

Dear Members,

Your Directors have immense pleasure in presenting the Thirty Third (33rd) Annual Report on the business and operations of Prince Pipes and Fittings Limited ("the Company") together with the audited financial statements for the Financial Year ended March 31, 2020.

Financial Results

The key highlights of the financial results of your Company for the financial year ended March 31, 2020 and comparison with the previous financial year ended March 31, 2019 are summarised below:

(₹ In millions)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from Operations	16,356.57	15,718.69
Less : Expenses	14,068.78	13,878.07
EBITDA	2,287.79	1,840.62
Less :		
Finance Cost	331.70	363.04
Depreciation	519.78	435.72
Add :		
Other Income	69.43	71.25
Profit before Tax	1,505.74	1,113.11
Less : Tax Expenses	380.67	291.79
Profit After Tax	1,125.07	821.32
Add : Total Other Comprehensive Income	(6.50)	(1.04)
Total Comprehensive Income for the year	1,118.57	820.28

Overview of Financial Performance

- ❖ Revenues from operations at ₹ 16,356.57 million compared to ₹ 15,718.69 million in FY19, translating to a growth of 4.1%
- ❖ Sales volume at 132,816 MT in FY20 as compared to 129,111 MT in FY19, translating to a growth of 2.9%
- ❖ EBITDA for FY20 at ₹ 2,287.79 million compared to ₹ 1,840.62 million, growth of 24.3%
- ❖ PAT for FY20 at ₹ 1,125.07 million compared to ₹ 821.32 million in FY19, growth of 37.0%

Dividend

During the year under review, your Company had declared the interim dividend for the Financial Year 2019-20 on March 12, 2020. An interim dividend of ₹ 1/- (Rupee One Only) (at the rate of 10 percent) on each fully paid-up equity share of ₹ 10/- (Rupees Ten Only) of the Company amounting to ₹ 110.03 million was paid out of the profits of the Company for the period ended December 31, 2019

to those Members of the Company whose names appeared in the Register of Members of the Company on March 24, 2020, being the Record Date for payment of Interim Dividend.

An amount of ₹ 22.62 million was paid as dividend distribution tax on the interim dividend declared by the Board.

The details with respect to unpaid/unclaimed dividend is available on the Company's website at www.princepipes.com.

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Company has adopted the Dividend Distribution Policy on February 11, 2020, setting out the broad principles for guiding the Board and the Management in matters concerning declaration and distribution of dividend, which is annexed to this report as **Annexure A** and is also available on the Company's website at www.princepipes.com.

The dividend declared is in accordance with the principles and criteria as set out in the Dividend Distribution Policy of the Company.

Reserves

Your Directors have proposed not to transfer any amount to General Reserves of the Company for the financial year 2019-20.

Material changes and Commitments affecting the Financial Position of the company

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report. There has been no change in the nature of business or any activity of business of the Company.

Share Capital

Authorised Share Capital

At the beginning of the year, the Authorised Share Capital of your Company was ₹ 1,500 million divided into 150 million Equity shares of ₹ 10/- each.

Re-Classification of Authorised Share Capital

Pursuant to a resolution passed by the Shareholders of the Company at an Extra-ordinary General Meeting held on November 25, 2019, your company has reclassified the Authorised Share Capital as summarized below:

The Authorised Share Capital of the Company was reclassified from ₹ 1,500 million divided into 150 million Equity shares of ₹ 10/- each to ₹ 1,500 million divided into 144.04 million Equity Shares of ₹ 10/- each and 0.60 million Compulsory Convertible Preference Shares ("CCPS") of ₹ 100/- each.

Changes in paid up Share Capital

During the year under review, the Company has made following allotments, whose details are as under:

Date of allotment	No of Shares	Remarks
November 28, 2019	5,96,500 Compulsory Convertible Preference Shares ("CCPS")	The Board of Directors in their meeting held on November 28, 2019 allotted 5,92,682 CCPS to South Asia Growth Fund II Holding LLC and 3,818 CCPS to South Asia EBT Trust represented by Orbis Capital Limited of ₹ 100/- each at a premium of ₹ 1,680 /- per CCPS in its capacity as trustee (Together the "Investors") pursuant to the Share Subscription Agreement and Shareholder agreement dated November 20, 2019 entered into by and amongst the Company, Investors and Promoters of the Company.
December 09, 2019	59,65,000 Equity Shares	The Board of Directors in their meeting held on December 09, 2019 approved the allotment of 59,26,820 Equity Shares to South Asia Growth Fund II Holding LLC and 38,180 Equity Shares to South Asia EBT Trust represented by Orbis Capital Limited of Face Value of ₹ 10/- each upon conversion of 5,96,500 Compulsory Convertible Preference Shares ("CCPS") of ₹ 100/- each at a conversion ratio of 1:10.

The paid-up equity share capital of the Company as on March 31, 2020 was ₹ 110.03 million Equity Shares of ₹ 10/- each aggregating to ₹ 1,100.26 million.

Equity shares lying in the Suspense Account

In compliance with Para F of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company confirms that no shares of the Company are lying in the Suspense Account.

Capital Raising

Allotment of Compulsory Convertible Preference Shares (CCPS) on Preferential allotment (Pre IPO placement) basis to South Asia Growth Fund II Holding LLC and South Asia EBT Trust represented by Orbis Capital Limited.

Pursuant to approval accorded by the shareholders by way of special resolution passed in the Extraordinary General Meeting of the Company held on November 25, 2019, offered and issued an aggregate number of 5,92,682 CCPS to South Asia Growth Fund II

Holding LLC and 3,818 CCPS to South Asia EBT Trust represented by Orbis Capital Limited of ₹ 100/- each at a premium of ₹ 1,680 /- per CCPS in its capacity as trustee (Together the "Investors") pursuant to the Share Subscription Agreement and Shareholder agreement dated November 20, 2019 entered into by and amongst the Company, Investors and Promoters of the Company. The Company as on November 28, 2019, had received an amount aggregating of ₹ 1,061.77 million by allotting 5,92,682 CCPS to South Asia Growth Fund II Holding LLC and 3,818 CCPS to South Asia EBT Trust represented by Orbis Capital Limited.

The Company, on request made by South Asia Growth Fund II Holding LLC and South Asia EBT Trust represented by Orbis Capital Limited permitted conversion of 5,92,682 CCPS into 59,26,820 Equity Shares and 3,818 CCPS into 38,180 Equity Shares, respectively, (in the ratio of 1:10) each ranking pari-passu with the existing equity shares of the Company.

Post completion of investment and conversion of CCPS into Equity Shares, the shareholding of South Asia Growth Fund II Holding LLC and South Asia EBT Trust represented by Orbis Capital Limited in the Company stood at 6.18 % and 0.003% respectively of the paid up capital of the Company, which was reduced to 5.38 % and 0.003% respectively, at the present level, post allotment of 14,044,943 shares on December 26, 2019 in the Initial Public Offering (IPO) of shares of the Company.

Initial Public Offer (IPO) of Equity Shares

Your Directors are pleased to inform that, your Company completed the initial public offering of its equity shares ("IPO") of 28,089,885 Equity shares of ₹ 10/- each comprising of a Fresh Issue of 14,044,943 Equity shares of ₹ 10/- each and Offer for Sale (OFS) of 14,044,942 Equity shares of ₹ 10/- each by some of the promoters of the Company namely Mr. Jayant Chheda, Mrs. Tarla Chheda, Mr. Parag Chheda and Mr. Vipul Chheda.

As per the object of the offer, the net proceeds of the fresh issue were to be utilised towards repayment / prepayment of certain outstanding loan, Financing the project cost towards establishment of a new manufacturing facility, either set up directly or indirectly, Upgradation of equipment at Manufacturing Facilities and for general corporate purposes.

Your Company raised an amount of ₹ 2,500 million from the Fresh Issue and the Promoters raised ₹ 2,500 million under the OFS. Pursuant to listing of equity shares on stock exchanges, your Company enjoys the benefit of enhanced brand name and creation of public market for the equity shares of the Company.

Post allotment / transfer in the IPO, the equity shares of your Company got listed and commenced trading on the BSE Limited and the National Stock Exchange of India Limited on December 30, 2019.

Post the issue, 63.25% of the Equity Share Capital of your Company is held by the Promoter and Promoter Group.

Utilization of IPO and Pre-IPO Proceeds

Your Company has appointed HDFC Bank Limited as the Monitoring agency in terms of regulation 16 of SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2009 as amended, to monitor the utilization of IPO proceeds and Company has obtained monitoring reports from the Monitoring agency from time to time and filed the same with both exchanges where equity shares of the Company are listed. The proceeds realized by the Company from the initial Public offering shall be utilized as per objects of the offer as disclosed in the Prospectus of the Company.

Out of the IPO proceeds of ₹ 2,500 million, your Company has utilized ₹ 419 million as per objects of the offer and unutilized amount of ₹ 2,081 million has been invested in the fixed deposits with the Bank. The proceeds of the issue were mainly utilized for repayment or prepayment of certain outstanding loans availed by our Company and General corporate purposes. There has been no deviation in the utilization of the IPO proceeds of the Company. The Monitoring Agency Reports' are available at the Company's website at www.princepipes.com.

Further, the details of Utilisation of Net IPO Proceeds and proceeds from Pre IPO placement for the year ended March 31, 2020 has been provided in notes to the Accounts.

Memorandum of Association (MOA)

On November 25, 2019, the Clause V of our Memorandum of Association (MOA) was amended to reflect the Authorized share capital of our Company, that is, ₹ 1,500 million divided into 144,035,000 Equity Shares of face value ₹ 10/- each and 596,500 Compulsory Convertible Preference Shares (CCPS) of face value of ₹ 100/- each.

Alteration of Articles of Association (AOA)

During the year, the shareholders at their meeting held on November 28, 2019 adopted a new set of Articles of Association (comprising of "Part A", "Part B" and "Part C") based on the shareholders' agreement and the investor framework agreement, both dated November 20, 2019, executed by and between, inter alia, the Company, the Promoters, South Asia Growth Fund II Holdings LLC and South Asia EBT Trust represented by Orbis Capital Limited in its capacity as trustee (together, the "Investors").

With the termination of the investor framework agreement and listing of the equity shares of the Company on the recognized Stock Exchanges i.e BSE Limited and the National Stock Exchange of India Limited pursuant to the consummation of the initial public

offering by the Company, Part C of the existing AOA of the Company along with several articles under Part B of the existing AOA of the Company are required to be deleted. Given this position, only the rights of the Investors in relation to appointment of investor nominee directors and observer are to be retained under Part B of the existing AOA.

Your Company is proposing to alter its articles of association with respect to the above changes in relation to Part B & Part C of the AOA of the Company. The detail in relation to alteration of articles is mentioned in the explanatory statement of the Notice of the forthcoming Annual General Meeting of the Company.

Subsidiary / Associate Companies/ Joint Venture

During the period under review, the Company does not have any Subsidiary, Joint Venture or Associate Company hence, disclosure regarding the Subsidiary, Joint venture or Associate Company in the Form AOC-1 is not applicable.

Management Discussion and Analysis

The management of your company presents the analysis of performance of the Company for the Financial Year ended March 31, 2020 and its outlook for the future prepared pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and which forms part of this Annual Report. This outlook is based on assessment of the current business environment. It may vary due to future economic and other developments.

Credit Rating

The details of credit ratings obtained from M/s. CARE Ratings Ltd are as under:

Instruments	Rating	Remarks
Long Term Bank Facilities – Term Loan	CARE A-; Stable (Single A Minus; Outlook: Stable)	Revised from CARE BBB+; Stable (Triple B Plus; Outlook: Stable)
Long term Bank Facilities-Fund based	CARE A-; Stable (Single A Minus; Outlook: Stable)	Revised from CARE BBB+; Stable (Triple B Plus; Outlook: Stable)
Short term Bank Facilities	CARE A2+ (A Two Plus)	Revised from CARE A3+ (A Three Plus)

Borrowings

The aggregate borrowings of your Company stood at ₹ 2,597.71 million as at March 31, 2020 as compared to ₹ 2,969.12 million as at March 31, 2019. The foreign currency borrowings as on March

31, 2020 were lower at ₹ 134.60 million as compared to ₹ 200.98 million as at March 31, 2019. Your Company has repaid borrowings amounting to ₹ 371.41 million during the period under review.

Corporate Governance

Corporate Governance Report prepared pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Board Report.

Business Responsibility Report

Business Responsibility Report prepared pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Board's Report.

Insurance

The company has maintained insurance policies on the production facilities, buildings, machinery and inventories, transit and warehouse stock, import of consignment and damage due to fire, earthquakes, floods and other natural disasters as well as insurance policies for Staff Health, Staff Personal Accident, and Staff Group Mediclaim. The company has Directors' and Officers' Liability Insurance.

Fixed Deposits

Your company has neither accepted nor renewed any Fixed Deposits during the year under review as defined under section 73 of the Companies Act, 2013 and rules framed there under.

Particulars of Loans, Guarantees or Investment

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

Directors Responsibility Statement

The Board of Directors acknowledge the responsibility for ensuing compliances with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013 in the preparation of annual accounts for the year ended on March 31, 2020 and state that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed and there is no material departures from the same;
- the Directors have selected such accounting policies and applied 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 as at March 31, 2020 and of the profit of the Company for the year ended on that date ;

- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Directors have prepared the annual accounts on a going concern basis;
- e. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

Accounting Treatment

The Accounting Treatment is in line with the applicable Indian Accounting Standards (IND-AS) recommended by the Institute of Chartered Accountants of India (ICAI) and prescribed by the Central Government.

Corporate Social Responsibility

In accordance with the provisions of section 135 of the Companies Act, 2013 and the rules made thereunder, your Company has constituted Corporate Social Responsibility Committee of Directors. The role of the Committee is to review CSR activities of the Company periodically and recommend to the Board amount of expenditure to be spent on CSR annually. The details of the CSR Committee are given in the Corporate Governance Report.

The detailed report on CSR activities carried out by the Company during FY 2019-20 is annexed to this report as **Annexure B**.

The corporate social responsibility policy of the Company can be viewed on the Company's website at www.princepipes.com.

Nomination and Remuneration Policy

The Company has a Nomination and Remuneration Policy in place. For details on the same, please refer to the Corporate Governance Report.

Vigil Mechanism / Whistle Blower Policy

Pursuant to Section 177(9) and (10) of The Companies Act, 2013 and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website at www.princepipes.com.

Risk Management

Pursuant to the Regulation 21 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, Risk Management Committee of the Board of the Company was formed with effect from June 25, 2020 for monitoring and reviewing of the risk management plan, identifying and assessing the nature and extent of internal and external risks that may impact the Company in achieving its strategic objectives.

The Risk Management framework defines the risk management approach across the enterprise. Your Company is faced with risks of different types, each of which need varying approaches for mitigation. Details of various risks faced by your Company are provided in the Management Discussion and Analysis.

Code of Conduct

The Company has in place, a policy on the Code of Conduct which is applicable to the Members of the Board and Senior Management Personnel of the Company.

The said Policy lays down the standard of conduct which is expected to be followed by the Directors and the Senior Management Personnel in their business dealings and in particular on matters relating to integrity in the workplace, in business practices and in dealing with the Stakeholders. It also lays down the duties of Independent Directors towards the Company. The Directors and the Senior Management Personnel of the Company are expected to abide by this Code as well as other applicable Company policies or guidelines.

The Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them, during the year ended March 31, 2020. A Certificate duly signed by the Managing Director, on the compliance with the Code of Conduct is given in the Corporate Governance Report. The said Code is available on the website of the company at www.princepipes.com.

Prevention of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading, in accordance with the requirements of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

The Company Secretary is the Compliance Officer for monitoring adherence to the said Regulations. The Code is displayed on the Company's website at www.princepipes.com.

Directors and Key Managerial Personnel

The Board of your Company is duly constituted with a proper balance of Executive, Non-Executive and Independent Directors. Pursuant to Section 149 (1) and 161 of the Companies Act, 2013 read with Rule 8 (5) (iii) of the Companies (Accounts) Rules, 2014, the details relating to directors and key managerial personnel who were appointed or have resigned are reported as under:

Resignation of Director

During the course under review, Mr. Sundar Parthasarathy (DIN: 00119337), Independent Director of the Company has resigned from the directorship of the Company with effect from May 13, 2019 due to pre-occupation and Mrs. Heena Chheda (DIN: 02667541), Executive Director of the Company have resigned from the directorship of the Company with effect from November 28, 2019 due to personal reasons and they both have consequently ceased to be Directors of your Company.

The Board places on record its appreciation for the valuable guidance and assistance received from these Directors during their respective tenures.

Appointment/ Re- appointment of Director

- ❖ During the year under review, the Company has appointed Mr. Dilip Deshpande (DIN: 08488986) as a Non-Executive Independent Director on the board of the Company at the annual general meeting held on September 27, 2019 for a consecutive period of three (3) years commencing from June 29, 2019.
- ❖ Pursuant to the Shareholders' Agreement and Share Subscription Agreement dated November 20, 2019 entered by and amongst South Asia Growth Fund II Holdings LLC, South Asia EBT Trust represented by Orbis Capital Limited (together "the Investors"), Promoters of the Company namely Mr. Jayant Chheda, Mrs. Tarla Chheda, Mr. Parag Chheda, Mr. Vipul Chheda and Mrs. Heena Chheda and the Company, the investors had the right to nominate a

nominee director on the board of the Company. Accordingly, Mr. Rajesh Pai (DIN: 02930658) was appointed as a Non-Executive Nominee Director on the board of the Company with effect from November 26, 2019.

- ❖ Mr. Rajendra Gogri, (DIN: 00061003) has been appointed as a Non-Executive Independent Director (Additional) on the Board of the Company with effect from June 25, 2020 to hold office up to the ensuing Annual General Meeting of the Company, subject to the approval of the members at the ensuing Annual General Meeting of the Company for his appointment as an Independent Director for a consecutive period of three (3) years.
 - ❖ Mr. Satish Chavva, (DIN:03615175) nominated by Oman Joint India Investment Fund has been appointed as a Non – Executive Nominee Director (Additional) on the Board of the Company with effect from June 25, 2020 to hold office up to the ensuing Annual General Meeting of the Company, subject to the approval of the members at the ensuing Annual General Meeting of the Company for his appointment as a Nominee Director.
 - ❖ Mr. Jayant Chheda (DIN:00013206), Chairman and Managing Director, Mr. Parag Chheda (DIN: 00013222) and Mr. Vipul Chheda (DIN: 00013234), were appointed as a Whole Time Directors designated as Executive Directors on the board of the Company pursuant to the provisions of Section 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder for the term of three (3) years and will hold office up to August 20, 2020 on the board of the Company.
- On Recommendation by Nomination & Remuneration Committee, the Board of Directors at its meeting held on July 31, 2020, appointed/re-appointed Mr. Jayant Chheda (DIN: 00013206) as a Chairman and Managing Director, Mr. Parag Chheda (DIN: 00013222) as Whole Time Director designated as a Joint Managing Director and Mr. Vipul Chheda (DIN: 00013234) as a Whole Time Directors designated as Executive Directors of the Company, liable to retire by rotation, subject to the approval of the members at the ensuing Annual General Meeting of the Company, to hold office for the term of three (3) consecutive years commencing from August 21, 2020 up to August 20, 2023.
- ❖ Mr. Ramesh Chandak (DIN: 00026581), Mr. Mohinder Pal Bansal (DIN: 01626343) and Mrs. Uma Mandavgane (DIN: 03156224) were appointed as an Independent Directors on the board of the Company pursuant to Section 149 of the Companies Act, 2013 for the first term of three (3) years and will hold office up to September 15, 2020.

Considering their knowledge, expertise and experience in their respective fields and the substantial contribution made by these Directors during their tenure as an Independent Directors since their appointment, the Nomination & Remuneration Committee and the Board has recommended the re-appointment of these Directors as an Independent Directors on the Board of the Company, to hold office for the second term of three (3) consecutive years commencing from September 16, 2020 up to September 15, 2023 and not liable to retire by rotation, subject to the approval of the members at the ensuing Annual General Meeting of the Company.

The Company has received the declaration from all these Directors that they continue to fulfil the criteria of independence as prescribed under the provisions of the Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as Regulation 16 of the Listing Regulations (including statutory re-enactment thereof for the time being in force).

In terms of the provisions of Section 160(1) of the Companies Act, 2013, the Company has received a Notice from members signifying their intention to propose the candidature for the reappointment of Mr. Ramesh Chandak, Mr. Mohinder Pal Bansal and Mrs. Uma Mandavgane for the office of Independent Directors.

The approval of the shareholders for their appointment / re-appointment as Directors has been sought in the Notice convening the AGM of your Company.

Retire by Rotation

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Vipul Chheda (DIN:00013234), director, is liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible has offered himself for re-appointment. Necessary resolution for his re-appointment is included in the Notice of AGM for seeking approval of Members. The Directors recommend his re-appointment for your approval. A brief resume and particulars relating to him is given separately as an annexure to the AGM Notice.

Declaration from Independent Directors

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Key Managerial Personnel (KMP)

During the Financial Year 2019-20, following changes occurred in the position of Company Secretary and Compliance Officer of the Company.

- ❖ Mr. Shailesh Bhaskar had resigned from the post of Company Secretary and Compliance officer of the Company with effect from May 10, 2019.
- ❖ Ms. Aayushi Poddar was appointed as Company Secretary and Compliance officer of the Company on November 07, 2019 and she resigned from the post with effect from December 02, 2019.
- ❖ Mr. Pravin Jogani was appointed as Company Secretary and Compliance officer of the Company on December 09, 2019 and he resigned from the post with effect from May 30, 2020.
- ❖ Mr. Shailesh Bhaskar appointed as the Company Secretary and Compliance officer of the Company with effect from July 1, 2020.

As on date of this report Mr. Jayant Chheda, Managing Director, Mr. Shyam Sharda, Chief Financial Officer and Mr. Shailesh Bhaskar, Company Secretary are KMPs of the Company.

Disclosure related to Board and Committees

Board

The Board of Directors met eleven (11) times during the financial year 2019-20. The dates on which the Board Meetings were held are as follows:

June 29, 2019; October 25, 2019; November 7, 2019; November 22, 2019; November 26, 2019; November 28, 2019; December 09, 2019; December 11, 2019; February 11, 2020; February 19, 2020 and March 12, 2020.

Committee

The Company has several committees which have been established as a part of the best corporate governance practices and are in compliance with the requirements of the relevant provisions of laws and statutes applicable to the Company. In order to ensure focused attention on business and for better governance and accountability, the Board has constituted the following committees:

- a) Audit Committee
- b) Nomination and Remuneration Committee
- c) Stakeholder Relationship Committee
- d) Corporate Social Responsibility Committee
- e) IPO Committee
- g) Finance Committee
- f) Risk Management Committee

The details with respect to the composition, powers, roles, terms of reference, etc. of the aforesaid committees are given in detailed in the "Corporate Governance Report" of the Company which forms part of the Annual Report.

Performance evaluation of the board

In compliance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulation 2015, annual performance evaluation of the Board and its Directors individually was carried out. Various parameters such as the Board's functioning, composition of its Board and Committees, execution and performance of specific duties, obligations and governance were considered for evaluation. The performance evaluation of the Board as a whole was carried out by the Nomination & Remuneration Committee of the Company. The performance evaluation of each Independent Director was also carried out by the Board. The Board of Directors expressed their satisfaction with the evaluation process.

Extract of Annual Return

As required under the Companies Act, 2013, extract of annual return in the prescribed Form MGT-9 is annexed to this report as **Annexure C**.

Related Party Transactions

The Board has formulated and adopted a Related Party Transactions Policy ("RPT Policy") for the purpose of identification, monitoring and reporting of related party transactions. The RPT Policy as approved by the Board is uploaded on the Company's website at www.princepipes.com. All Related Party Transactions entered in to during the Financial Year were on arm's length basis and were in the ordinary course of business.

Further since transactions with the related parties are not material in accordance with the Related Party Transactions Policy, the particulars of such transactions with the related parties are not required to be reported by the Company in Form AOC-2.

The members may refer to note to the financial statements which set out related party disclosures.

Auditors and Reports

Statutory Auditors

Pursuant to the provision of Section 139 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, M/s. Khimji Kunverji & Co. LLP, Chartered Accountants (ICAI Firm No: 105146W) was re-appointed as Statutory Auditors of the Company, for a term of 2 (two) consecutive years, at 32nd Annual General Meeting of the Company held on September 27, 2019. They have confirmed that they are not disqualified from continuing as Statutory Auditors of the Company.

M/s. Khimji Kunverji & Co. LLP, Chartered Accountants, have carried out the statutory audit of the Financial Statements of the Company for the Financial Year ended March 31, 2020. The Notes to Financial Statement referred in Auditors Report are self-explanatory. There are no qualifications, reservations, adverse remarks or disclaimer given by the Statutory Auditors in their report and therefore it does not call for any comments under Section 134 of The Companies Act, 2013. The Auditors Report is annexed with the financial statement forming part of this annual report.

Internal Auditors

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and The Companies (Accounts) Rules, 2014, on the recommendation of the Audit Committee, M/s. Mahajan & Aibara, Chartered Accountants LLP, were re-appointed by the Board of Directors to conduct internal audit of the Company.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI Listing Regulations, M/s. Sanjay Dholakia and Associates (CP No. 1798), Practising Company Secretaries has been re-appointed as Secretarial Auditor, to undertake Secretarial Audit of the Company for the financial year 2019-20. The report of the Secretarial Auditor in the prescribed Form MR-3 is annexed to this report as **Annexure D**.

The Secretarial Auditors' Report for the Financial year 2019-20 does not contain any qualification, reservation or adverse remark except the following:

During the year under review one Independent Director, Mr. Mohinder Pal Bansal along with his son Mr. Ankur Bansal has acquired 450 Equity Shares and 1,723 Equity Shares of the Company, respectively aggregating to total amount of ₹ 3,58,740.57/- (Rupees Three Lakh Fifty- Eight Thousand Seven Hundred Forty and Fifty -Seven Paise Only) during the closure of Trading Window without intimating the said transaction to the Company Secretary and Compliance officer of the Company within the provisions of PIT Regulations. The Company when coming to the knowledge of the same has penalised the said Independent Director and asked him to pay a sum of ₹ 25,000/- (Twenty Five Thousand Only) and this amount shall be paid to charity and accordingly he paid. Same was intimated to SEBI and the exchanges by the Company.

The filing under Regulation 74(5) of SEBI (LODR), 2015 for the quarter ended 31st December 2019 and 31st March, 2020. The filing was not done for these two quarters. However, the Company has now complied with the same.

The qualification, reservation or adverse remark or disclaimer made by the Secretarial Auditors in its report are self- explanatory and being complied as on date. Therefore, there are no further explanations to be provided for in this report.

In accordance with the SEBI Circular No. CIR/CFD/ CMD1/27/2019 dated February 08, 2019, the Company has obtained the Annual Secretarial Compliance Report from the Secretarial Auditor for the financial year 2019-20. The same is also submitted to the Stock Exchanges.

Cost Auditors

The Board of Directors have re-appointed Ketki D. Visariya, Cost Accountants, as Cost Auditors of the company to carry out the cost audit for the financial year 2020-21 at a remuneration as mentioned in the Notice convening the AGM, subject to ratification of the remuneration by the Members of your company. The company has received a Certificate from the Cost Auditors certifying their independence and arm's length relationship with the company.

Internal Financial Controls

The company has in place Internal Financial Control system, commensurate with size & complexity of its operations to ensure proper recording of financial and operational information & compliance of various internal controls other regulatory & statutory compliances. During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

Internal Auditors' comprising of professional Chartered Accountants monitor & evaluate the efficacy of Internal Financial Control system in the company, its compliance with operating system, accounting procedures & policies at all the locations of the company. Based on their report of Internal Audit function, corrective actions in the respective area are undertaken & controls are strengthened. Significant audit observations & corrective action suggested are presented to the Audit Committee.

Details of Fraud Reported by The Auditors

During the year under review, the Statutory Auditors, Secretarial Auditors and Cost Auditors have not reported any instances of fraud committed in the Company by its officers or employees to the Audit Committee under section 143(12) and Rule 13 of the Companies (Audit and Auditors) Rules, 2014 of the Companies Act, 2013.

Conservation of Energy, Foreign Exchange Earnings and Outgo

The information pertaining to conservation of energy and foreign exchange earnings and outgo, as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed to this report as **Annexure E**.

Particulars of Employees

The information required pursuant to Section 197(12) of The Companies Act, 2013 read with Rule 5(1), 5(2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is annexed to this report as **Annexure F**.

Employee Relations

We firmly believe that employees are our greatest asset and the energy, enthusiasm and creativity they bring into the workplace are the key drivers of our success. Maintaining healthy employee relations is at the core of our people strategy. We continuously strive towards enhancing the employee experiences through various HR interventions leading to an engaged & motivated workforce. All our HR programmes are designed to align the employee goals with the Organisational goals & are working intensively towards making it a way of life. Keeping in spirit, we are having a structured learning & development programme in place to ensure that the employees upgrade their skills continuously & contribute in making the Organisation – a learning Organisation. Keeping in view the existing VUCA world, we need to be competitive & in order to keep ourselves aligned with the key business opportunities & the challenges thereof, we

have implemented Innovative Culture across the Organisation for fostering innovation & providing ample opportunities to the employees for self - motivation & meaningful engagement through Small Group activities, KAIZENS etc. & reward the same for sustaining the employee motivation.

Employee Stock Option Scheme (ESOP)

During the year under review, your directors confirm that no shares were issued by the Company under the subsisting Prince Pipes and Fittings Limited – Employee Stock Option Scheme (ESOP) 2017 of the Company. Details of Employee Stock Option Activity under the Scheme is given under Note 37 of Notes to Accounts forming part of this Annual Report.

Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance for sexual harassment at workplace and 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 for prevention and redressal of complaints of sexual harassment at workplace. The said policy is available on the website of the company at www.princepipes.com.

During the period under review, the Company had not received any complaints on sexual harassment under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

For and on behalf of Board of Directors of
Prince Pipes and Fittings Limited

Jayant Chheda

Chairman & Managing Director
DIN: 00013206

Place: Mumbai

Date: July 31, 2020

Significant and material orders passed by the regulators or courts

No significant material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

Impact of COVID-19 on Business:

In March 2020, the government imposed a temporary lockdown as a pre-cautionary measure to restrict the spread of the pandemic in India. These restrictions had resulted in temporary shutdown of operations at all plants and offices for approximately 30 days. The Company has taken various steps to support its various stakeholders and maintain operations. . In accordance with the Government's directive post partial lifting of the lockdown from April 2020 and after receiving the necessary approvals from the respective government departments, the Company had resumed partial operations including dispatch of finished goods to its channel partners and gradually scaling up the utilization of manufacturing facilities across the nation. The necessary precautions and safety measures are put in place to maintain social distancing.

Acknowledgement

The Directors place on record their appreciation for the sincere and whole hearted co-operation extended by all concerned, particularly Company's Bankers, Financial Institutions, Security Trustees, Stock Exchanges, Municipal authorities, State Governments, the Central Government, Suppliers, Clientele and the employees of the Company and look forward to their continued support. The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic. The Directors also thank the shareholders for continuing their support and confidence in the Company and its management.

Annexure 'A' to the Board's Report

DIVIDEND DISTRIBUTION POLICY

I) POLICY

The Board of Directors of the Company ("the Board") at its meeting held on February 06, 2020 has approved and adopted the dividend distribution policy of the Company.

The Policy of the Company is effective from February 06, 2020.

II) PREAMBLE

The Securities Exchange Board of India ("SEBI") on July 8, 2016 inserted Regulation 43A in SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Regulations"), which requires the top 500 listed companies (by market capitalisation) to formulate and disclose a Dividend Distribution Policy in the annual report and on the corporate website.

The Company currently has only one class of shares, viz. equity, for which this policy is applicable. The policy is subject to review if and when the Company issues different classes of shares.

III) OBJECTIVE

This Policy aims to ensure that the Company makes rationale decision with regard to the amount to be distributed to the shareholders as dividend after retaining sufficient funds for the Company's growth, to meet its long-term objective and other purposes.

This Policy lays down various parameters which shall be considered by the Board of Directors of the Company before recommendation/ declaration of Dividend to its shareholders.

IV) DEFINITIONS:

- a. "Act" means the Companies Act, 2013 and rules made there under [including any amendments or re-enactments thereof].
- b. "Applicable laws" shall mean to include Companies Act 2013 and rules made there under, [including any amendments or re-enactments thereof], Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, [including any amendments or re-enactments thereof], and any other regulation, rules, acts, guidelines as may be applicable to the distribution of dividend.

- c. "Board" or "Board of Directors" shall mean Board of Directors of the Company, as constituted from time to time.
- d. "Company" shall mean Prince Pipes and Fittings Limited.
- e. "Dividend" includes any interim dividend; which is in conformity with Section 2(35) of the Companies Act, 2013 read with Companies (Declaration and Payment of Dividend) Rules, 2014.
- f. "Financial year" shall mean the period starting from 1st day of April and ending on the 31st day of March every year,
- g. "Free reserves" shall mean the free reserves as defined under Section 2 (43) of the Act.

V) PARAMETERS TO BE CONSIDERED FOR DECLARATION OF DIVIDEND

A) Internal/Financial Parameter

The Board shall consider the below mentioned financial parameters for the purpose of recommendation/ declaration of dividend:

- i. Performance of the Company and size of net profits earned by it during the financial year.
- ii. Capital expenditure and working capital requirements.
- iii. Financial commitments w.r.t. the outstanding borrowings and interest thereon.
- iv. Financial requirement for business expansion and/or diversification, acquisition. etc. of new businesses.
- v. Provisioning for financial implications arising out of unforeseen events and/or contingencies.
- vi. Track record of Dividends distributed by the Company.

B) External Parameter

The Board shall consider the below mentioned external parameters for the purpose of recommendation/ declaration of dividend:

- i. Applicable laws and Regulations including taxation laws.
- ii. Economic conditions
- iii. Prevalent market practices

C) Circumstances Under Which the Shareholders of the Company may or may not expect Dividend

The shareholders of the Company may not expect dividend under the following circumstances, which are inclusive but not to the discretion of the Board:

- i. In the event of a growth opportunity where the Company may be required to allocate a significant amount of capital.
- ii. In the event of higher working capital requirement for business operations or otherwise.
- iii. In the event of inadequacy of cashflow available for distribution.
- iv. In the event of inadequacy or absence of profits

D) Manner of Utilisation of Retained Earnings.

The Board of Directors of the Company may recommend/declare dividend out of the profits of the Company or out of the profits for any previous year or years or out of Free reserves available for distribution of dividend, after consideration of the Parameters as stated above. The Company shall ensure compliance with the requirements in this respect as laid down under the provisions of Section 123 of the Act and other Applicable laws.

E) Dividend Pay-Out Ratio.

Dividend for every financial year shall be decided by Board considering various statutory requirements, financial performance of the company and other internal and external factors enumerated earlier in the policy.

VI) GENERAL

- i. Pursuant to the provisions of Section 123 of the Act, Articles of Association of the Company and this Policy, the Board of Directors shall recommend the final dividend, which shall be declared by the Shareholders of the Company at the Annual General Meeting.
- ii. The Board may, from time to time, declare interim dividend which shall be subject to confirmation by the Shareholders at the Annual General Meeting. It is provided that the Interim Dividend(s) and Final Dividend shall be within the Dividend Pay-out ratio as stated in Para V(E) above.
- iii. The Board may, declare/ recommend Special Dividend to commemorate any special occasion, which may be over and above dividend payout ratio as stated in Para V(E) above. The Special Dividend shall be subject to confirmation by the Shareholders at the Annual General Meeting.
- iv. The Company shall ensure compliance with the Applicable laws w.r.t. payment of dividend to the shareholders. It shall ensure that the amount of the dividend is deposited by the Company in a Scheduled bank in a separate account within five days from the date of declaration of such dividend.
- v. Due regard shall be given to the restrictions/covenants contained in any agreement entered into with the lenders of the Company or any other financial covenant as may be specified under any other arrangement/ agreement, if any, before recommending or distributing dividend to the shareholders.

VII) DISCLOSURES

The Policy shall be disclosed by the Company in its annual report and on its website (www.princepipes.com).

VIII) REVIEW

The Board of Directors shall have the right to review, modify, amend or change any or all clauses of this Policy in accordance with the provisions of the Act, relevant rules framed thereunder, the Listing Regulation, other applicable legislation governing dividends and the Articles of Association of the Company, as in force, and as amended, from time to time.

Annexure 'B' to the Board's Report

ANNUAL REPORT ON CSR ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Rules), 2014]

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:

I) Indicative list for CSR Expenditure:

- i) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga;
- v) protection of National Heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- vi) measure for the benefit of armed force veterans, war widows and their dependents;
- vii) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;
- viii) contribution to the prime minister's national relief fund or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- ix) contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- (x) rural development projects;
- (xi) slum area development. (term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force).
- (xii) disaster management, including relief, rehabilitation and reconstruction activities.

II) Composition of the CSR Committee:

- i) Mr. Jayant Chheda – Chairman
- ii) Mr. Parag Chheda
- iii) Mrs. Uma Mandavgane

III) Average net profit of the company for last three financial years:

Financial Year	2018-2019	2017-2018	2016-2017
Adjusted Net Profit / (Loss)	895.15	1032.41	901.33
Average Net Profit/ (Loss)	942.96		

(₹ in millions)

IV) Prescribed CSR Expenditure (two per cent of the amount as in item III above): ₹ 20.89 million

V) Details of CSR spent during the financial year:

Sr. No	Particulars	Rupees (₹)
(a)	Total amount to be spent for the financial year	20.89 million
(b)	Amount unspent, if any	10.89 million
(c)	Manner in which amount spent during the financial year is given below along with the details of project undertaken during the year:	

Sr. No	CSR Project or activity identified	Amount spent	Cumulative expenditure
1	M/s. Pacific Medical University - promoting education and health care	10.00 million	10.00 million

For and on behalf of Board of Directors of
Prince Pipes and Fittings Limited

Jayant Chheda

Chairman & Managing Director
DIN: 00013206

Place: Mumbai

Date: July 31, 2020

VI) 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:

The company has just embarked on the journey of ascertained CSR programs. For this reason, during the year, the Company's spend on the CSR activities has been less than the limits prescribed under Companies Act, 2013. The Company intends to spend the shortfall of the prescribed amounts on CSR projects after suitable identification of CSR Projects.

VII) A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company:

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

Annexure 'C' to the Board's Report

FORM NO MGT-9

Extract of Annual Return

As on the financial year ended on March 31, 2020

[Pursuant to Section 92(3) and of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I) REGISTRATION AND OTHER DETAILS:

i)	CIN	:-	L26932GA1987PLC006287
ii)	Registration date		September 13, 1987
iii)	Category/ Sub-Category of the Company	:-	Company Limited by Shares /Indian Non-government Company
iv)	Name of the Company	:-	Prince Pipes and Fittings Limited
v)	Whether shares listed on recognized Stock Exchange(s) -	:-	Yes
vi)	Registered Office of the Company and contact details	:-	Plot No.1, Honda Industrial Estate, Phase II, Honda Sattari Honda Goa 403530 Email: investor@princepipes.com Telephone: 022 -6602 2222 Website: www.princepipes.com
vii)	Name and Address of Registrar & Transfer Agents (RTA)	:-	Link Intime India Private Limited C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083, India Telephone: +91 22 4918 6200 E-mail: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in

II) PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sl No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Manufacturing of Plastic products	222	97.3

III) PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl No	Name & Address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
-	-	-	-	-	-

IV) SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

A) Category wise Shareholding :

Category of Shareholders	No of Shares held at the beginning of the year				No of Shares held at the end of the year				% of change during the year
	Demat	Physical	Total	% of total share	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	85969816	0	85969816	95.51	69588856	0	69588856	63.25	32.26
b) Central Government	0	0	0	0	0	0	0	0	0
c) State Government(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	0	0	0	0	0	0	0	0	0
e) Financial Institutions/Banks	0	0	0	0	0	0	0	0	0
f) Others	0	0	0	0	0	0	0	0	0
Sub Total (A) (1)	85969816		85969816	95.51	69588856		69588856	63.25	32.26
(2) Foreign									
a) NRIs – Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Financial Institutions/Banks	0	0	0	0	0	0	0	0	0
e) Others	0	0	0	0	0	0	0	0	0
Sub Total (A) (2)	0	0	0	0	0	0	0	0	0
Total shareholding of promoter (A)= (A)(1) + (A)(2)	85969816	0	85969816	95.51	69588856	0	69588856	63.25	32.26
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	12226499	0	12226499	11.11	11.11
b) Venture Capital Funds	0	0	0	0	0	0	0	0	0
c) Alternate Investment Funds	0	0	0	0	6999948	0	6999948	6.36	6.36
d) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
e) Foreign Portfolio Investor	0	0	0	0	1008422	0	1008422	0.92	0.92
f) Financial Institution/ Banks	0	0	0	0	36320	0	36320	0.03	0.03
g) Insurance Companies	0	0	0	0	1967992	0	1967992	1.79	1.79
h) Central/ State Government	0	0	0	0	0	0	0	0	0
Sub Total (B) (1)	0	0	0	0	22239181	0	22239181	20.21	20.21
2. Non Institution									
a) Individual									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	630000	0	630000	0.7	6036356	0	6036356	5.49	4.79
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3416000	0	3416000	3.79	4917913	0	4917913	4.47	0.68
b) NBFCs registered with RBI	0	0	0	0	0	0	0	0	0
c) Trust Employee	0	0	0	0	0	0	0	0	0
d) Overseas Depositories	0	0	0	0	0	0	0	0	0
e) any other	0	0	0	0	0	0	0	0	0
i) Trusts	0	0	0	0	100	0	100	0.00	0.00
ii) Hindu Undivided Family	0	0	0	0	430572	0	430572	0.39	0.39
iii) Foreign Companies	0	0	0	0	5926820	0	5926820	5.39	5.39
iv) Non Resident Indians	0	0	0	0	177599	0	177599	0.15	0.15
v) Clearing Member	0	0	0	0	114167	0	114167	0.10	0.10

Category of Shareholders	No of Shares held at the beginning of the year				No of Shares held at the end of the year				% of change during the year
	Demat	Physical	Total	% of total share	Demat	Physical	Total	% of total shares	
vi) Bodies Corporate	0	0	0	0	594195	0	594195	0.54	0.54
Sub Total (B) (2)	4046000	0	4046000	4.49	18197722	0	18197722	16.54	12.05
Total Public Shareholding (B) = (B1)+(B2)	4046000	0	4046000	4.49	40436903	0	40436903	36.75	32.26
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A) + (B) + (C)	90015816	0	90015816	100	110025759	0	110025759	100	0

B. Shareholding of Promoters and Promoters group

Sr. No	Shareholder's name	Category	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
			No of Shares held	% of total shares of the Company	% of Shares pledged encumbered to total shares	No of Shares held	% of total shares of the Company	% of Shares pledged encumbered to total shares	
1.	Vipul Jayant Chheda	Promoter	25800000	28.66	13.17	22148300	20.13	0	(8.53)
2.	Parag Jayant Chheda	Promoter	25796800	28.66	13.17	21583303	19.62	0	(9.04)
3.	Tarla J. Chheda	Promoter	24778000	27.53	0	17385832	15.80	0	(11.73)
4.	Jayant Shamji Chheda	Promoter	7680000	8.52	8.52	6556405	5.96	0	(2.57)
5.	Jayant Shamji Chheda*	Promoter Group	1200000	1.33	0	1200000	1.09	0	(0.24)
6.	Vaishali Hitesh Shah	Promoter Group	500000	0.56	0	500000	0.45	0	(0.11)
7.	Jayant Shamji Chheda (HUF)	Promoter Group	96000	0.11	0.11	96000	0.09	0	(0.02)
8.	Jayantilal Kalyanji Gada	Promoter Group	60000	0.07	0	60000	0.05	0	(0.02)
9.	Gunvati Jayantilal Gada	Promoter Group	40000	0.04	0	40000	0.04	0	(0.00)
10.	Heena Parag Chheda	Promoter	12616	0.01	0.01	12616	0.01	0	(0.00)
11.	Ashwini Chheda	Promoter Group	6400	0.01	0	6400	0.00	0	(0.00)
	Total		85969816	95.51	35.00	69588856	63.25	0	(32.26)

*Jayant Shamji Chheda acting as a trustee of VS Family Trust

C. Changes in Promoters' Shareholding

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. Of Shares Held	% Of Total Shares Of The Company	Date Of Transaction	No. Of Shares	No Of Shares Held	% Of Total Shares Of The Company
1	Vipul Jayant Chheda	25800000	28.66		0	25800000	28.66
	Transfer			18 Dec 2019	(1404509)	24395491	27.10
	Offer For Sale			26 Dec 2019	(2247191)	22148300	20.13
	At The End Of The Year					22148300	20.13
2	Parag Jayant Chheda	25796800	28.66		0	25796800	28.66
	Transfer			18 Dec 2019	(1404509)	24392291	22.17
	Offer For Sale			26 Dec 2019	(2808988)	21583303	19.62
	At The End Of The Year					21583303	19.62
3	Tarla J Chheda	24778000	27.53		0	24778000	27.53
	Transfer			26 Apr 2019	175000	24953000	27.72
	Transfer			22 May 2019	175000	25128000	27.92
	Transfer			07 June 2019	(175000)	24953000	27.72
	Transfer			30 Sept 2019	298000	25251000	28.05
	Offer For Sale			26 Dec 2019	(7865168)	17385832	15.80
	At The End Of The Year					17385832	15.80
4	Jayant Shamji Chheda	7680000	8.53		0	7680000	8.53
	Offer For Sale			26 Dec 2019	(1123595)	6556405	5.96
	At The End Of The Year					6556405	5.96
5	Jayant Shamji Chheda *	1200000	1.33		0	1200000	1.33
	Transfer				NIL	1200000	1.33
	At The End Of The Year					1200000	1.09
6	Vaishali Hitesh Shah	500000	0.56		0	500000	0.45
	Transfer				NIL	500000	0.45
	At The End Of The Year					500000	0.45
7	Jayant Shamji Chheda (HUF)	96000	0.11		0	96000	0.09
	Transfer				NIL	96000	0.09
	At The End Of The Year					96000	0.09
8	Jayantilal Kalyanji Gada	60000	0.07		0	60000	0.05
	Transfer				NIL	60000	0.05
	At The End Of The Year					60000	0.05
9	Gunvanti Jayantilal Gada	40000	0.04		0	40000	0.04
	Transfer				NIL	40000	0.04
	At The End Of The Year					40000	0.04
10	Heena Parag Chheda	12616	0.01		0	12616	0.01
	Transfer				NIL	12616	0.01
	At The End Of The Year					12616	0.01
11	Ashwini Vipul Chheda	6400	0.01		0	6400	0.01
	Transfer				NIL	6400	0.01
	At The End Of The Year					6400	0.01

* Jayant Shamji Chheda acting as a trustee of VS Family Trust

D. Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	South Asia Growth Fund II Holdings, LLC	0	0.00			0	0.00
	Allotment			28 Nov 2019	5926820	5926820	5.39
	At The End Of The Year					5926820	5.39
2	Oman India Joint Investment Fund II	0	0.00			0	0.00
	Allotment			18 Dec 2019	5617978	5617978	5.11
	At The End Of The Year					5617978	5.11
3	Mirae Asset Tax Saver Fund	0	0.00			0	0.00
	Allotment			26 Dec 2019	842772	842772	0.77
	Transfer			03 Jan 2020	2636000	3478772	3.16
	Transfer			10 Jan 2020	410272	3889044	3.53
	Transfer			17 Jan 2020	221112	4110156	3.74
	Transfer			24 Jan 2020	50000	4160156	3.78
	Transfer			31 Jan 2020	265000	4425156	4.02
	Transfer			14 Feb 2020	155000	4580156	4.16
	Transfer			21 Feb 2020	437493	5017649	4.56
	Transfer			06 Mar 2020	70000	5087649	4.64
	Transfer			13 Mar 2020	16199	5103848	4.64
	Transfer			20 Mar 2020	188371	5292219	4.81
	Transfer			31 Mar 2020	18030	5310249	4.83
	At The End Of The Year					5310249	4.83
4	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Small Cap Fund	0	0.00			0	0.00
	Allotment			26 Dec 2019	1937531	1937531	1.77
	Transfer			24 Jan 2020	50000	1987531	1.81
	Transfer			07 Feb 2020	10231	1997762	1.82
	Transfer			14 Feb 2020	254579	2252341	2.05
	Transfer			28 Feb 2020	45421	2297762	2.09
	At The End Of The Year					2297762	2.09

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
5	Tata Mutual Fund- Tata Equity P/E Fund	0	0.00			0	0.00
	Allotment			26 Dec 2019	1765836	1765836	1.60
	Transfer			17 Jan 2020	300000	2065836	1.88
	Transfer			24 Jan 2020	200000	2265836	2.06
	At The End Of The Year					2265836	2.06
6	New Mark Capital India Fund I	0	0.00			0	0.00
	Allotment			26 Dec 2019	1044799	1044799	0.95
	Transfer			20 Mar 2020	99175	1143974	1.04
	Transfer			27 Mar 2020	11962	1155936	1.05
	Transfer			31 Mar 2020	40000	1195936	1.09
	At The End Of The Year					1195936	1.09
7	SBI Life Insurance Co. Ltd	0	0.00			0	0.00
	Allotment			26 Dec 2019	1910998	1910998	1.74
	Transfer			03 Jan 2020	(49245)	1861753	1.69
	Transfer			10 Jan 2020	(100000)	1761753	1.60
	Transfer			17 Jan 2020	(85484)	1676269	1.52
	Transfer			07 Feb 2020	(20000)	1656269	1.51
	Transfer			14 Feb 2020	(115000)	1541269	1.40
	Transfer			06 Mar 2020	(10471)	1530798	1.39
	Transfer			13 Mar 2020	(90075)	1440723	1.31
	Transfer			20 Mar 2020	(273181)	1167542	1.06
	At The End Of The Year					1167542	1.06
8	IDFC Equity Opportunities Fund - Series 5	0	0.00			0	0.00
	Transfer			31 Jan 2020	586769	586769	0.53
	Transfer			07 Feb 2020	67631	654400	0.59
	Transfer			28 Feb 2020	4844	659244	0.60
	Transfer			06 Mar 2020	80756	740000	0.67
	Transfer			13 Mar 2020	149695	889695	0.81
	Transfer			20 Mar 2020	22749	912444	0.83
At The End Of The Year					912444	0.83	

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
9	HDFC Life Insurance Company Limited	0	0.00			0	0.00
	Allotment			26 Dec 2019	1754458	1754458	1.59
	Transfer			10 Jan 2020	(425000)	1329458	1.21
	Transfer			17 Jan 2020	(486686)	842772	0.77
	Transfer			21 Feb 2020	(42322)	800450	0.73
	At The End Of The Year					800450	0.73
10	Invesco Trustee Private Limited-A/C Invesco India Smallcap Fund	0	0.00			0	0.00
	Transfer			17 Jan 2020	279332	279332	0.25
	Transfer			24 Jan 2020	68356	347688	0.32
	Transfer			31 Jan 2020	27092	374780	0.34
	Transfer			07 Feb 2020	23014	397794	0.36
	Transfer			28 Feb 2020	103678	501472	0.46
	Transfer			06 Mar 2020	37305	538777	0.49
	Transfer			20 Mar 2020	124908	663685	0.60
	Transfer			31 Mar 2020	85815	749500	0.68
	At The End Of The Year					749500	0.68

E. Shareholding of Directors and Key Managerial Personnel:

Sr. No	Directors and Key Managerial Personnel Names	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No of Shares held	% of total shares of the Company	% of Shares pledged encumbered to total shares	No of Shares held	% of total shares of the Company	% of Shares pledged encumbered to total shares	
1.	Vipul Jayant Chheda (Executive Director)	25800000	28.66	13.17	22148300	20.13	0	(8.53)
2.	Parag Jayant Chheda (Executive Director)	25796800	28.66	13.17	21583303	19.62	0	(9.04)
3	Jayant Shamji Chheda (Chairman & Managing Director)	7680000	8.52	8.52	6556405	5.96	0	(2.57)
4.	Jayant Shamji Chheda (Acting as Trustee of VS Family Trust)	1200000	1.33	0	1200000	1.09	0	(0.24)
5.	Jayant Shamji Chheda (HUF)	96000	0.11	0.11	96000	0.09	0	(0.02)
6.	Heena Parag Chheda* (Executive Director)	12616	0.01	0.01	12616	0.01	0	0.00
7.	Ramesh Chandak (Independent Director)	0	0.00	0.00	0	0.00	0	0.00
8.	Mohinder Pal Bansal, (Independent Director)	0	0.00	0.00	450	0.00	0	0.00
9.	Uma Mandavgane (Independent Director)	0	0.00	0.00	0	0.00	0	0.00
10.	Sundar Parthasarathy* (Independent Director)	0	0.00	0.00	0	0.00	0	0.00
11.	Dilip Deshpande** (Independent Director)	0	0.00	0.00	0	0.00	0	0.00
12.	Rajesh Pai** (Nominee Director)	0	0.00	0.00	0	0.00	0	0.00
13.	Shyam Sharda (Chief Financial Officer)	0	0.00	0.00	0	0.00	0	0.00
14.	Shailesh Bhaskar# (Company Secretary)	0	0.00	0.00	0	0.00	0	0.00
15.	Aayushi Poddar# (Company Secretary)	0	0.00	0.00	0	0.00	0	0.00
16.	Pravin Jogani# (Company Secretary)	0	0.00	0.00	0	0.00	0	0.00
	Total	60585416	67.29	35.00	51597074	46.90	0	(20.40)

*Mr Sundar Parthasarathy, Independent Director resigned from the board w.e.f. May 13, 2019 & Mrs. Heena Chheda, Executive director resigned from the board w.e.f. November 28, 2019.

**Mr. Dilip Deshpande was appointed as an Independent Director on the Board w.e.f. June 29, 2020 and Mr. Rajesh Pai was appointed as a Non – Executive Director (Nominee Director) w.e.f. November 26, 2019.

#Mr Shailesh Bhaskar resigned as a Company Secretary on May 10, 2019 and re-appointed as a Company Secretary on July 01, 2020

#Ms. Aayushi Poddar was appointed as a Company Secretary on November 02, 2019 and resigned w.e.f. December 02, 2019

#Mr. Pravin Jogani was appointed as Company Secretary on December 09, 2019 and resigned from the post w.e.f. May 30, 2020

V) INDEBTEDNESS

(₹ In million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,722.11	247.01	-	2,969.12
ii) Interest due but not recovered	-	-	-	-
iii) Interest accrued but not due	1.33	-	-	1.33
Total (i+ii+iii)	2,723.44	247.01	-	2,970.45
Change in Indebtedness during the financial year				
Additions	494.72	1,864.10		2,358.82
Reduction	1,041.87	1,678.30		2,720.17
Net Change	(547.15)	185.80	-	(361.35)
Indebtedness at the end of the financial year				
i) Principal Amount	2,164.91	432.81	-	2,597.72
ii) Interest due but not recovered	-	-	-	-
iii) Interest accrued but not due	11.38	-	-	11.38
Total (i+ii+iii)	2,176.29	432.81	-	2,609.10

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director of the Company

Sl. No	Particulars of Remuneration	Chairman & Managing Director Mr. Jayant Chheda	Total Amount (₹ in millions)
1.	Gross Salary		
	a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961	13.62	13.62
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.39	2.39
	c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	- As % of profit		
	- Other		
5.	Others, please specify	-	-
6.	Total (A)	16.01	16.01

B. Remuneration to Executive Director of the Company

Sl. No	Particulars of Remuneration	Executive Director Mr. Parag Chheda	Executive Director Mr. Vipul Chheda	Executive Director Mrs. Heena Chheda*	Total Amount (₹ in millions)
1.	Gross Salary				
	a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961	11.22	10.02	4.18	25.42
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.13	1.97	-	4.10
	c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - As % of profit - Other	-	-	-	-
5.	Others, please specify	-	-	-	-
6.	Total (B)	13.35	11.99	4.18	29.52
	Total (A+B)				45.53
	Ceiling as per the Act				168.05

*Mrs. Heena Chheda, Executive director resigned from the board w.e.f. November 28, 2019.

C. Remuneration to other Directors

(₹ In million)

Sl. No.	Name of the Directors	Designation	Sitting Fees for attending board, committee meeting	Commission	Others	Total Payment
1.	Mr. Ramesh Chandak	Independent Director	0.63	-	-	0.63
2.	Mr. Mohinder Pal Bansal	Independent Director	0.58	-	-	0.58
3.	Mr. Dilip Deshpande*	Independent Director	0.47	-	-	0.47
4.	Mrs. Uma Mandavgane	Independent Director	0.75	-	-	0.75
5.	Mr. Sundar Parthasarathy**	Independent Director	-	-	-	-
6.	Mr. Rajesh Pai*	Non Executive Nominee Director	-	-	-	-
	Total (C)					2.43
	Total (A + B + C)					47.96

*Mr. Dilip Deshpande was appointed as an Independent Director on the Board w.e.f. June 29, 2020 and Mr. Rajesh Pai was appointed as a Non – Executive Director (Nominee Director) w.e.f. November 26, 2019.

**Mr. Sundar Parthasarathy, Independent Director resigned from the board w.e.f. May 13, 2019.

D. Remuneration to Key Managerial Personnel Other Than MD / Manager / WTD

(₹ In million)

Sl. No	Particulars of Remuneration	CFO Mr. Shyam Sharda	CS Mr. Shailesh Bhaskar*	CS Ms. Aayushi Poddar*	CS Mr. Pravin Jogani*	Total Amount
1.	Gross Salary					
	a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961	8.17	0.19	0.05	0.63	9.04
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	-	-	-	-	-
2.	Stock Option	25,718**	6,632**	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission	-	-	-	-	-
	- As % of profit	-	-	-	-	-
	- Other	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
6.	Total	8.17	0.19	0.05	0.63	9.04

*Mr Shailesh Bhaskar resigned as a Company Secretary on May 10, 2019 and re-appointed as a Company Secretary on July 01, 2020

*Ms. Aayushi Poddar was appointed as a Company Secretary on November 02, 2019 and resigned w.e.f. December 02, 2019

*Mr. Pravin Jogani was appointed as Company Secretary on December 09, 2019 and resigned from the post w.e.f. May 30, 2020

** None of the options granted were exercised

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Annexure 'D' to the Board's Report

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 rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
PRINCE PIPES AND FITTINGS LIMITED
CIN L26932GA1987PLC006287
GOA

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by PRINCE PIPES AND FITTINGS LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company of 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, we hereby report that in our 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (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 (Listing Obligation and Disclosure Requirements) Regulations, 2015;
- (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (effective up to 9 November 2018) and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (effective from 10 November 2018);
- (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable during the year under review)
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable during the year under review)
- (g) 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;
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; There were no proposals for delisting of its Equity shares during the year under review.

and

- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; There were no Buy Back of its Equity shares during the year under review.
- (vi) Other laws applicable to Company
 1. Custom Act 2013
 2. Foreign Trade Policy 2015-2020
 3. Excise laws and Other State Vat Laws applicable
 4. Labour Laws and other incidental laws related to labour and employees.
 5. Shop and Establishment Act & Rules (State wise)
 6. Acts prescribed under prevention and control of pollution and environmental protection.

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India;
- (ii) The Listing Regulations entered into by the Company with the BSE Limited and Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulations 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards mentioned above.

During the year under review one Independent Director, Mr. Mohinder Pal Bansal along with his son Mr. Ankur Bansal has acquired 450 Equity Shares and 1723 Equity Shares of the Company, respectively aggregating to total amount of ₹ 3,58,740.57/- (Rupees Three Lakh Fifty- Eight Thousand Seven Hundred Forty and Fifty -Seven Paise Only) during the closure of Trading Window without intimating the said transaction to the Company Secretary and Compliance officer of the Company within the provisions of PIT Regulations. The Company when coming to the knowledge of the same has penalised the said Independent Director and asked him to pay a sum of Rs 25000/- (Twenty Five Thousand Only) and this amount shall be paid to charity and accordingly he paid. Same was intimated to SEBI and the exchanges by the Company.

The filing under Regulation 74(5) of LODR for the quarter ended 31st December, 2019 and 31st March, 2020. The filing was not done for these two quarters. However the Company has now complied with the same.

We further state that the Company has made an Initial Public Offering (IPO) of 28,089,885 Equity Shares of Face Value of ₹ 10 each for a cash at a price of ₹178 per Equity Shares including Share premium of ₹ 168 per Equity Share, aggregating to ₹ 5000 Million comprising a Fresh Issue of 14,044,943 Equity Shares aggregating to ₹ 2500 million and Offer for Sale of 14,044,942 equity Shares aggregating to ₹ 2500 million

For SANJAY DHOLAKIA & ASSOCIATES

(SANJAY R DHOLAKIA)

Practising Company Secretary

Proprietor

Membership No. 2655 /CP No. 1798

Date: July 31, 2020

Place: Mumbai

UDIN: F002655B000491462

by the Promoter selling shareholders namely Mr. Jayant Shamji Chheda, Mrs. Tarla Jayant Chheda, Mr. Parag Jayant Chheda and Mr. Vipul Jayant Chheda, vide Prospectus dated December 23, 2019 and the Equity Shares of the Company got Listed on BSE Limited and National Stock Exchanges of India Limited on December 30, 2019.

We 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, 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.

Majority decisions of the Board are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

We further report that 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.

Further we have to state that we have not carried out the physical inspection of any records maintained by the Company due to prevailing lock down conditions owing to COVID 2019 across the country. We have relied on the records as made available by the Company by digital mode and also on the Management Representation Letter issued by the Company.

This Report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this Report.

Annexure A to the Secretarial Audit Report

To,
The Members,
PRINCE PIPES AND FITTINGS LIMITED
CIN L26932GA1987PLC006287
GOA

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial record. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the practices and processes we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, norms and standards is the responsibility of management. Our examination was limited to the verification of procedure 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.

For SANJAY DHOLAKIA & ASSOCIATES

(SANJAY R DHOLAKIA)
Practising Company Secretary
Proprietor
Membership No. 2655 /CP No. 1798

Date: July 31, 2020

Place: Mumbai

UDIN: F002655B000491462

Annexure 'E' to the Board's Report

I. CONSERVATION OF ENERGY

A) Energy Conservation measures taken

All business units are continuously putting in their efforts to improve energy usage efficiencies and increase contributions from energy saving initiative taken by the Company in F.Y. 2019-20.

Measures taken include:

- Continuously monitoring of energy parameters like load factor , maximum demand etc
- Introducing energy efficient equipment by replacing energy inefficient equipment. (Energy efficient pumps, motors , vfd , servo , LED lights)
- PI (Key Parameter Indicators) monitoring of unit / kg every month to create awareness and to keep focus on it.
- Energy audit through independent agency for ISO50001 (for our plants located at Athal, Dadra, Haridwar, Chennai and kolhapur)
- Utilization of renewable energy by using third party wind energy at Chennai plant and by planning to implement solar energy at various factories.
- Repair and overhauling of electrical equipment's etc.
- Reduction in emission of green house gases by improveing energy efficiency at all plants.
- Expenditure on R & D: Not significant

B) Impact of measures taken

The measures taken have resulted in optimizing use of available resources.

Total energy consumption and energy consumption per unit of production as per specified in Schedule.

Sr. No.	Particulars	Unit	Year Ended March 31, 2020	Year Ended March 31, 2019
(A)	Power and Fuel Consumption			
1.	Electricity			
a.	Purchased			
	Total Unit	Kwh	650,81,787	5,97,55,632
	Total Amount	₹ in million	439.64	374.93
	Average Rate Per Kwh.	₹	6.76	6.27
b.	Own Generation			
	(Through Diesel)	Kwh	1,70,241	2,84,865
	Units per Ltr of diesel	Kwh	3.11	3.06
	Cost/unit	₹	21.68	23.18
2.	Furnace Oil & Diesel			
	Quantity	Ltr.	54,660	93,068
	Total Amount	₹ in million	3.69	6.60
	Average Rate Unit	₹	67.52	70.97

(B) Consumptions per unit of Production of Electricity

	Year Ended March 31, 2020		Year Ended March 31, 2019	
	Unit(Kwh)	Amount (₹ in million)	Unit(Kwh)	Amount (₹ in million)
Purchased	650,81,787	439.64	5,97,55,632	374.93
Own Generation	1,70,241	3.69	2,84,865	6.60
Total	65,252,028	443.33	6,03,40,497	381.53

II. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on foreign exchange earnings and outgo is as mentioned below:

Your company continuously reviews the possibility of further exports based on the international demand and price.

(₹ in million)

Sr. No	Particulars	2019-20	2018-19
1.	Foreign Exchange Earnings – Export at FOB value	10.11	18.34
2.	CIF Value of Imports	5,800.61	5,686.99
3.	Foreign Exchange Outgo	101.40	122.02

For and on behalf of Board of Directors of
Prince Pipes and Fittings Limited

Jayant Chheda

Chairman & Managing Director
DIN: 00013206

Place: Mumbai

Date: July 31, 2020

Annexure 'F' to the Board's Report

PARTICULARS OF EMPLOYEES

A. PARTICULARS UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2019-20

Name	Designation	Ratio
Mr. Jayant Chheda	Chairman & Managing Director	64:1
Mr. Parag Chheda	Executive Director	53:1
Mr. Vipul Chheda	Executive Director	48:1
Mrs. Heena Chheda*	Executive Director	29:1

#Since Independent and Non-Executive Directors received no remuneration, except sitting fees for attending Board /Committee Meetings, the required details are not applicable.

*Mrs. Heena Chheda, Executive Director resigned from the Directorship w.e.f. November 28, 2019.

ii) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2019-20:

Name	Designation	%
Mr. Jayant Chheda	Chairman & Managing Director	-
Mr. Parag Chheda	Executive Director	-
Mr. Vipul Chheda	Executive Director	-
Mrs. Heena Chheda*	Executive Director	-
Mr. Shyam Sharda	Chief Financial Officer	10
Mr. Shailesh Bhaskar**	Company Secretary	-
Ms. Aayushi Poddar **	Company Secretary	-
Mr. Pravin Jogani**	Company Secretary	-

#Since Independent and Non Executive Directors received no remuneration, except sitting fees for attending Board /Committee Meetings, the required details are not applicable

*Mrs. Heena Chheda, Executive Director resigned from the Directorship w.e.f. November 28, 2019.

**Mr Shailesh Bhaskar resigned as a Company Secretary on May 10, 2019 and re-appointed as a Company Secretary on July 01, 2020

***Ms. Aayushi Poddar was appointed as a Company Secretary on November 02, 2019 and resigned w.e.f. December 02, 2019

***Mr. Pravin Jogani was appointed as Company Secretary on December 09, 2019 and resigned from the post w.e.f. May 30, 2020

(iii) The percentage increase in the median remuneration of employees in the Financial Year: 13.13%

(iv) The number of permanent employees on the rolls of the Company: - 1,781

(v) Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof: ---

The median percentage increase made in the salaries of employees other than managerial personnel was 13.38%, while the increase in the remuneration of managerial personnel was 0%. The increase in the salary of employees was as per the Industry benchmarks.

(vi) Affirmation that the remuneration is as per the Remuneration Policy of the Company: Yes

B. INFORMATION AS PER RULE 5 (2) & (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIALPERSONNEL) RULES, 2014.

- i) Employed throughout the financial year, was in receipt of remuneration for that year, in the aggregate, was not less than one crore and two lakhs rupees. - NA
- ii) None of the employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month as per clause (ii) of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Sr. No	Name	Designation	Remuneration received (₹ in million)	Qualification	Total No. of Experience (Years)	Date of commencement of Appointment	Date of Birth	Age	Last Employment held	% of equity shares held
1	Mr. Vininder Singh Baweja	Chief Operating Officer	9.22	B.Tech, MBA – IIT Rorkee	16 Years	26-07-2019	08-12-1979	41 Years	Hindustan Unilever Ltd	Nil

- iii) Employees mentioned above are neither relatives of any directors or managers of the Company, nor hold 2% or more of the paid-up equity share capital of the Company as per Clause (iii) of sub-rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**For and on behalf of Board of Directors of
Prince Pipes and Fittings Limited**

Jayant Chheda

Chairman & Managing Director
DIN: 00013206

Place: Mumbai

Date: July 31, 2020

Corporate Governance Report

The report on Corporate Governance is prepared pursuant to Regulation 34(3) read with Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations"/ "Listing Regulations").

1. PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company is committed and always strives to achieve optimum performance at all levels by adhering to corporate governance practices, such as:

- Fair and transparent business practices
- Effective management control by Board
- An optimum combination of promoter, executive, independent and women directors on the Board
- Accountability for performance
- Monitoring of executive performance by the Board
- Compliance of laws
- Transparent and timely disclosure of financial management information and performance

The Company believes that adherence to high standards of corporate governance is essential for sustained corporate growth.

2. BOARD OF DIRECTORS

Composition and Category of Directors:

Your Company's Board of Directors at present comprises of ten (10) directors, of which five (5) are Independent Directors of which one (1) is a Woman Director, three (3) are Promoter & Executive Directors. Furthermore, the board also comprises of two (2) nominee directors. The Board's composition is in compliance with the requirements of Regulation 17(1) of Listing Regulations read with Section 149 of the Act. The Directors possess experience in diverse fields including banking, finance, governance, taxation, Mergers & Acquisitions, sales & marketing Etc. The rich and varied experience of the Board has proved to be of immense value to the company.

The Board of Directors of the Company is headed by an Executive Chairman and consists of the following directors as on March 31, 2020, as indicated below:

Name of the Director	Category
Mr. Jayant Chheda (DIN: 00013206)	Promoters and Executive Directors
Mr. Parag Chheda (DIN: 00013222)	
Mr. Vipul Chheda (DIN: 00013234)	
Mr. Ramesh Chandak (DIN: 00026581)	Non- Executive Independent Directors
Mr. Mohinder Pal Bansal (DIN: 01626343)	
Mr. Dilip Deshpande (DIN: 08488986)	
Mrs. Uma Mandavgane (DIN: 03156224)	
Mr. Rajesh Pai (DIN: 02930658)	Non- Executive Nominee Director

#Mr. Rajendra Gogri (DIN: 00061003) and Mr. Satish Chavva (DIN: 03615175) were appointed by the Board as Non- Executive Independent Director (Additional) and Nominee Director (Additional) respectively with effect from June 25, 2020.

None of the Directors hold Directorships in more than twenty (20) Indian Companies including ten (10) Public Limited Companies. Further, none of the Directors on the Board is a member of more than ten (10) Board Committees and Chairperson of more than five (5) Board Committees across all public companies in which he/she is a Director. All the Directors have made necessary disclosures regarding Committee positions occupied by them in other companies. (Board Committees for this purpose include the Audit Committee and the Stakeholders Relationship Committee).

None of the Independent Directors of the Company serve as Independent Directors in more than seven (7) listed companies and none of the Whole time Directors of any listed Company serve as Independent Directors in more than three (3) listed companies.

Name of the Director	Date of Appointment in the current term/cessation	Listed Entity in which Board member is a director including this listed entity	No of Directorships in listed entities including this listed entity	Number of memberships in Audit/ Stakeholder Committee(s) including this listed entity	No of post of Chairperson in Audit/ Stakeholder Committee held in listed entities including this listed entity	No. of Equity Shares held
Independent Directors						
Mr. Ramesh Chandak	3 years w.e.f. September 16, 2017*	KEC International Limited	5	7	4	-
		Parag Milk Foods Limited				
		Ram Ratna Wires Limited				
		Summit Securities Limited				
		Prince Pipes and Fittings Limited				
Mr. Mohinder Pal Bansal	3 years w.e.f. September 16, 2017*	Navneet Education limited	3	4	3	450
		Allcargo Logistics limited				
		Prince Pipes and Fittings Limited				
Mrs. Uma Mandavgane	3 years w.e.f. September 16, 2017*	Zee Media Corporation Limited	2	3	1	-
		Prince Pipes and Fittings Limited				
Mr. Dilip Deshpande	3 years w.e.f. June 29, 2019	Prince Pipes and Fittings Limited	1	0	0	-
Mr. Sundar Parthasarathy**	-	-	-	-	-	-
Non – Executive Directors (Nominee)						
Mr. Rajesh Pai	w.e.f. November 26, 2019	Prince Pipes and Fittings Limited	1	0	0	-
Executive Directors (Promoters)						
Mr. Jayant Chheda	3 years w.e.f. August 21, 2017#	Prince Pipes and Fittings Limited	1	0	0	65,56,405
Mr. Parag Chheda	3 years w.e.f. August 21, 2017#	Prince Pipes and Fittings Limited	1	2	0	2,15,83,303
Mr. Vipul Chheda	3 years w.e.f. August 21, 2017#	Prince Pipes and Fittings Limited	1	1	0	2,21,48,300
Mrs. Heena Chheda***	-	-	-	-	-	12,616

* The Board of Directors at its meeting held on July 31, 2020 re-appointed Mr. Ramesh Chandak, Mr. Mohinder Pal Bansal and Mrs. Uma Mandavgane as an Independent Directors of the Company, subject to the approval of the members at the ensuing Annual General Meeting of the Company, to hold office for the second term of three (3) consecutive years commencing from September 16, 2020 up to September 15, 2023.

#The Board of Directors at its meeting held on July 31, 2020 appointed/re-appointed Mr. Jayant Chheda as a Chairman and Managing Director, Mr. Parag Chheda as Whole Time Director designated as a Joint Managing Director and Mr. Vipul Chheda as a Whole Time Director designated as Executive Directors of the Company, subject to the approval of the members at the ensuing Annual General Meeting of the Company, to hold office for the term of three (3) consecutive years commencing from August 21, 2020 up to August 20, 2023.

**Mr. Sundar Parthasarathy, Independent Director resigned from the directorship w.e.f. May 13, 2019 due to pre-occupation.

***Mrs. Heena Chheda, Executive Director resigned from the Directorship w.e.f. November 28, 2019 due to personal reasons.

Skills/expertise/competence of the board of directors

Name of the Director	Business development and strategy	Building Material Business	Information technology	Accounts & Finance	Corporate Governance & Ethics	Sales and Marketing
Mr. Jayant Chheda	✓	✓		✓	✓	✓
Mr. Parag Chheda	✓	✓	✓	✓	✓	✓
Mr. Vipul Chheda	✓	✓			✓	✓
Mr. Ramesh Chandak	✓		✓	✓	✓	✓
Mr. Mohinder Pal Bansal	✓	✓	✓	✓	✓	✓
Mr. Dilip Deshpande	✓	✓			✓	
Mrs. Uma Mandavgane	✓		✓	✓	✓	
Mr. Rajesh Pai	✓		✓	✓	✓	
Mr. Rajendra Gogri	✓		✓	✓	✓	✓
Mr. Satish Chavva	✓		✓	✓	✓	

The Board comprises of qualified members who bring in the required skills, expertise and competence as mentioned below which allow them to make effective contributions to the Board and its committees. The members of the Board are committed to ensure that the Company is in compliance with the highest standards of corporate governance.

Profile of the Board of Directors

The profiles of the Directors of the Company as on March 31, 2020 are as under:

Mr. Jayant Chheda

Mr. Jayant Chheda, aged 74 years, is the Chairman and Managing Director of our Company. He has been associated with our Company since incorporation as a Director. He has passed the Senior Secondary Certificate Examination. He has over three decades of experience in the plastic industry. He was awarded the 'Lifetime Achievement Award' at the Vinyl India Conference, 2014.

Mr. Parag Chheda

Mr. Parag Chheda, aged 49 years, is an Executive Director of our Company. He has been associated with our Company since April 27, 1996 as a Director. He holds an associate degree in business administration from Oakland Community College. He has over 24 years of experience in the piping industry. He was awarded the 'Inspiring Business Leader Award' at the Economic Times Summit, 2016 for the 'Business and Industry' sector.

Mr. Vipul Chheda

Mr. Vipul Chheda, aged 45 years, is an Executive Director of our Company. He has been associated with our Company since March 11, 1997 as a Director. He holds a higher secondary certificate from the Maharashtra State Board of Secondary and Higher Secondary Education. He has over 23 years of experience in the piping industry.

Mr. Ramesh Chandak

Mr. Ramesh Chandak, aged 73 years, is an Independent Director of our Company. He is a Chartered Accountant by qualification. He is the CEO of RDC Business Advisory, which provides individualised leadership coaching, strategy, succession planning and management services. Prior to starting his Advisory practice, he had a successful career spanning over 40 years across manufacturing & infrastructure industries in India, Malaysia and USA. He currently serves on the Boards of several listed companies and is a Senior Advisor to McKinsey & Co. He is a recipient of CA Business leader Award in 2008 by the Institute of Chartered Accountants of India. He is a former President of Indian Electrical & Electronics Manufacturers Association.

Mr. Mohinder Pal Bansal

Mr. Mohinder Pal Bansal, aged 63 years, is an Independent Director of our Company. He is a Chartered Accountant by qualification. He has more than 25 years of experience in Mergers & Acquisitions, Strategic Advising, Capital Markets, Company Portfolio Integration as well as post acquisition performance management in India, Asia and Europe. He is currently on board of several corporate bodies such as Blacksoil Capital Pvt. Ltd., Allcargo Logistics Ltd. and others.

Mrs. Uma Mandavgane

Mrs. Uma Mandavgane, aged 50 years, is an Independent Director of our Company. She is a Chartered Accountant and Certified Information Systems Auditor. She is a professional with experience spanning 28 years in Corporate Finance Management and Risk Advisory Consulting and had held senior position in Big 4 consulting firm. Currently Uma has an independent practice providing Business and Technology Risk in Information Systems Security domain and Data Analytics in Internal Audits.

Mr. Rajesh Pai

Mr. Rajesh Pai, aged 48 years, is a Non-executive Director of our Company. He was appointed to our Board on November 26, 2019. He holds a master's degree in business administration from the University of Chicago and a master's degree in computer science from Arizona State University. He has a bachelor's degree in computer engineering from the University of Bombay. He has several years of experience in private equity. He is a founding partner of GEF Capital Partners and Co-Head of the South Asia Investment Practice.

Mr. Dilip Deshpande

Mr. Dilip Deshpande, aged 69 years, is an Independent Director of our Company. He was appointed to our Board on June 29, 2019. He holds a bachelor's degree in Science and technology with specialization in Petrochemicals technology and post graduate diploma in business management. He has over 45 years of experience in polymers and plastics processing industries.

Independent Directors:

Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment are disclosed on the Company's website at www.princepipes.com.

During the year under review, a meeting of the Independent Directors was held on March 12, 2020. All the Independent Directors attended the meeting.

During the year under review, Mr. Sundar Parthasarathy resigned as an Independent Director of the Company w.e.f. May 13, 2019 due to his pre-occupation.

During the year under review, Mr. Dilip Deshpande was appointed as an Independent Director of the Company w.e.f. June 29, 2019.

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Regulations read with Section 149(6) of the Companies Act, 2013. All the Independent Directors have confirmed that they met the criteria as mentioned under Regulation 16(1)(b) of the SEBI Regulations read with Section 149(6) of the Companies Act, 2013.

Further, all the Independent Directors have confirmed that they meet the criteria of independence as laid down under the Act and Listing Regulations. They have declared that they do not fall under any disqualifications specified under the Act.

The Board of Directors hereby confirm that in its opinion, the Independent Directors of the Company fulfil the conditions as specified in the SEBI Regulations and are independent of the management.

Familiarization Program:

The Familiarization Program for Independent Directors is uploaded on the website of the Company, and is accessible at www.princepipes.com.

Board Meetings & Attendance of Directors:

The Board meets at regular intervals to discuss and decide on business policies and review the financial performance of the Company. The Board of Directors met eleven (11) times during the financial year 2019-20. The necessary quorum was present for all the meetings. The dates on which the Board Meetings were held are as follows:

June 29, 2019; October 25, 2019; November 7, 2019; November 22, 2019; November 26, 2019; November 28, 2019; December 09, 2019; December 11, 2019; February 11, 2020; February 19, 2020 and March 12, 2020.

The attendance of the Directors at the Board Meetings and at the last Annual General Meeting during the Financial Year 2019-20 is given below:

Board Attendance

Name of Directors	Board meeting number											Held during the tenure	Attended	AGM Attendance held on September 27, 2019
	1	2	3	4	5	6	7	8	9	10	11			
Mr. Jayant Chheda	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11	11	Yes
Mr. Parag Chheda	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11	11	Yes
Mr. Vipul Chheda	x	✓	✓	✓	✓	✓	✓	✓	✓	x	✓	11	9	Yes
Mr. Ramesh Chandak	✓	✓	✓	✓	✓	x	✓	✓	✓	x	✓	11	9	No
Mr. Mohinder Pal Bansal	x	✓	✓	✓	✓	✓	✓	✓	✓	x	✓	11	9	Yes
Mr. Dilip Deshpande*	NA	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10	10	No
Mrs. Uma Mandavgane	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11	11	No
Mr. Rajesh Pai*	NA	NA	NA	NA	NA	✓	✓	✓	✓	✓	✓	6	6	No
Mr. Sundar Parthasarathy**	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Mrs. Heena Chheda**	✓	✓	✓	✓	✓	NA	NA	NA	NA	NA	NA	5	5	Yes

* Mr. Dilip Deshpande was appointed as an Independent Director on the Board w.e.f. June 29, 2020 and Mr. Rajesh Pai was appointed as a Non – Executive Director (Nominee Director) w.e.f. November 26, 2019.

**Mr Sundar Parthasarathy, Independent Director resigned from the board w.e.f. May 13, 2019 & Mrs. Heena Chheda, Executive director resigned from the board w.e.f. November 28, 2019.

Directors appointed/ resigned during the year ended March 31, 2020:

- ❖ During the course under review, Mr. Sundar Parthasarathy (DIN: 00119337), Independent Director of the Company has resigned from the directorship of the Company with effect from May 13, 2019 due to pre-occupation and Mrs. Heena Chheda (DIN: 02667541), Executive Director of the Company has resigned from the directorship of the Company with effect from November 28, 2019 due to personal reasons and they both have consequently ceased to be Directors of your Company. The Board places on record its appreciation for the valuable guidance and assistance received from these directors during their respective tenures.
- ❖ During the year under review, the Company has appointed Mr. Dilip Deshpande (DIN: 08488986) as a Non-Executive Independent Director on the board of the Company at the annual general meeting held on September 27, 2019 for a consecutive period of three (3) years commencing from June 29, 2019.
- ❖ Pursuant to the Shareholders' Agreement and Share Subscription Agreement Dated November 20, 2019 entered by and amongst South Asia Growth Fund II Holdings LLC, South Asia EBT Trust represented

by Orbis Capital Limited (together "the Investors"), Promoters of the Company namely Mr. Jayant Chheda, Mrs. Tarla Chheda, Mr. Parag Chheda, Mr. Vipul Chheda and Mrs. Heena Chheda and the Company, the investors had the right to nominate a nominee director on the board of the Company. Accordingly, Mr. Rajesh Pai (DIN: 02930658) was appointed as a Non- Executive Nominee Director on the board of the Company with effect from November 26, 2019.

Notes on directors seeking appointment/ reappointment:

The details of directors seeking appointment / reappointment has been aptly covered in the accompanying Notice of the Annual General Meeting and the same may be treated as a disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Code of Conduct:

The Company has in place, a policy on the Code of Conduct which is applicable to the Members of the Board and Senior Management Personnel of the Company.

The said Policy lays down the standard of conduct which is expected to be followed by the Directors and the Senior Management Personnel in their business dealings and in

particular on matters relating to integrity in the workplace, in business practices and in dealing with the Stakeholders. It also lays down the duties of Independent Directors towards the Company. The Directors and the Senior Management Personnel of the Company are expected to abide by this Code as well as other applicable Company policies or guidelines.

The Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them, during the year ended March 31, 2020. A Certificate duly signed by the Managing Director, on the compliance with the Code of Conduct is annexed to this Report at **Annexure A**.

The said Policy is available on the website of the company at www.princepipes.com.

Prevention of Insider Trading:

The Company has adopted a Code of Conduct for Prevention of Insider Trading, in accordance with the requirements of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

The Company Secretary is the Compliance Officer for monitoring adherence to the said Regulations. The Code is displayed on the Company's website at www.princepipes.com.

Inter-se relationship amongst the Directors:

Except as stated below, none of our Directors are related to each other.

Name of the Directors	Name of the Directors	Relationship
Mr. Jayant Chheda	Mr. Parag Chheda	Son
	Mr. Vipul Chheda	Son
Mr. Parag Chheda	Mr. Jayant Chheda	Father
	Mr. Vipul Chheda	Brother
Mr. Vipul Chheda	Mr. Jayant Chheda	Father
	Mr. Parag Chheda	Brother

None of the Non-Executive Directors have relationship inter-se, with any of the Directors of the Company.

3. COMMITTEE OF THE BOARD

Audit Committee:

The Audit Committee was constituted by a resolution of the Board dated September 16, 2017 and reconstituted on June

29, 2019 in compliance with Section 177 of the Companies Act, 2013 and SEBI Listing Regulations.

Scope and terms of reference:

The role of the Audit Committee shall be as follows:

- (a) oversee our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (b) provide recommendation for appointment, remuneration and terms of appointment of auditors of our Company;
- (c) approve payment to statutory auditors for any other services rendered by them;
- (d) review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - (i) matters required to be included in the Director's Responsibility Statement to be included in the board of directors report in terms of clause (c) of sub-Section 3 of Section 134 of the Companies Act, 2013;
 - (ii) changes, if any, in accounting policies and practices and reasons for the same;
 - (iii) major accounting entries involving estimates based on the exercise of judgment by the management of our Company;
 - (iv) significant adjustments made in the financial statements arising out of audit findings;
 - (v) compliance with listing and other legal requirements relating to financial statements;
 - (vi) disclosure of any related party transactions; and
 - (vii) modified opinion(s) in the draft audit report.
- (e) review, with the management, the quarterly and any other partial year- period financial statements before submission to the board of directors for their approval;
- (f) review, with the management, the statement of uses / application of funds raised through an issue (public

issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to our board of directors to take up steps in this matter;

- (g) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (h) approve or subsequently modify transactions of our Company with related parties;
- (i) scrutinize inter-corporate loans and investments;
- (j) provide valuation of undertakings or assets of our Company, wherever it is necessary;
- (k) evaluate internal financial controls and risk management systems;
- (l) review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (m) review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (n) discuss with internal auditors of any significant findings and follow up there on;
- (o) review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (p) discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (q) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (r) to review the functioning of the whistle blower mechanism;
- (s) approve the appointment of the Chief Financial Officer of our Company (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (t) oversee the vigil mechanism established by our Company and the chairman of audit committee shall directly hear grievances of victimisation of employees and directors, who use vigil mechanism to report genuine concerns; and
- (u) carry out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the board of directors of our Company or specified/provided under the Companies Act, 2013 or by the SEBI Listing Regulations or by any other regulatory authority.

Further, the audit committee shall mandatorily review the following:

- (a) management discussion and analysis of financial condition and results of operations;
- (b) statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of our Company;
- (c) management letters / letters of internal control weaknesses issued by the statutory auditors of our Company;
- (d) internal audit reports relating to internal control weaknesses;
- (e) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and
- (f) statement of deviations in terms of the SEBI Listing Regulations: (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s); and (ii) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice.

Composition and Attendance of the members of the Audit Committee:

The Audit Committee met Four (4) times during the Financial Year 2019-20 and the gap between the two Meetings did not exceed 120 days. The necessary quorum was present for all the Meetings.

Audit Committee Meetings were held as follows:

- 1) June 29, 2019
- 2) October 25, 2019
- 3) February 11, 2020
- 4) March 12, 2020

The Composition of the Audit Committee and details of meetings attended by its members during the Financial Year 2019-20 is given below:

Audit Committee Meeting Attendance

Name of the Directors	Position	Category	Audit Committee Meeting number				Held during the tenure	Attended
			1	2	3	4		
Mr. Mohinder Pal Bansal	Chairman	Independent Director	X	✓	✓	✓	4	3
Mr. Ramesh Chandak	Member	Independent Director	✓	✓	✓	✓	4	4
Mrs. Uma Mandavgane	Member	Independent Director	✓	✓	✓	✓	4	4
Mr. Parag Chheda**	Member	Executive Director	NA	✓	✓	✓	3	3
Mr. Jayant Chheda*	Member	Executive Director	✓	NA	NA	NA	1	1

*Ceased to be a member w.e.f June 29, 2019

** Inducted as a member w.e.f June 29, 2019

The Meetings of the Audit Committee are attended by the Chief Financial Officer, the Company Secretary and a representative of Internal Auditor and Statutory Auditor. The Company Secretary acts as the secretary to the Committee.

The Chairman of the Audit Committee was present at the Thirty Second Annual General Meeting to answer shareholders' queries.

Nomination And Remuneration Committee:

The Nomination and Remuneration Committee was constituted by a resolution of our Board dated September 16, 2017 and reconstituted on June 6, 2018, in compliance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations.

Scope and terms of reference:

The role of the Nomination and Remuneration Committee shall be as follows:

- (i) identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the board of directors their appointment and removal and carry out evaluation of every director's performance (including that of independent directors);

- (ii) formulate the criteria for determining qualifications, positive attributes and independence of a director;
- (iii) devise a policy on diversity of the Board;
- (iv) determine whether to extend or continue the term of appointment of independent directors, on the basis of the report of performance evaluation of independent directors;
- (v) perform such functions as are required to be performed by the Compensation Committee under the SEBI ESOP Regulations including the following:
 - (a) administering the ESOP 2017;
 - (b) determining the eligibility of employees to participate under the ESOP 2017;
 - (c) granting options to eligible employees and determining the date of grant;
 - (d) determining the number of options to be granted to an employee;
 - (e) determining the exercise price the ESOP 2017; and
 - (f) construing and interpreting the ESOP 2017 and any agreements defining the rights and obligations of

our Company and eligible employees under the ESOP 2017, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP 2017.

- (vi) recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees. The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:
- the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
 - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long- term performance objectives appropriate to the working of our Company and its goals.
- (vii) frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as

amended from time to time, including: (a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, our Company and its employees, as applicable.

- (viii) perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or by any other applicable law or regulatory authority.

Composition and Attendance of the members of the Nomination and Remuneration Committee:

The Nomination and Remuneration Committee met Six (6) times during the Financial Year 2019-20. The necessary quorum was present for all the Meetings. The Nomination and Remuneration Committee Meetings were held as follows:

- June 29, 2019
- November 07, 2019
- November 26, 2019
- November 28, 2019
- December 09, 2019
- February 11, 2020

The Composition of the Nomination and Remuneration Committee and details of meetings attended by its members during the Financial Year 2019-20 is given below:

Nomination and Remuneration Committee Attendance

Name of the Directors	Position	Category	NRC Meeting number						Held during the tenure	Attended
			1	2	3	4	5	6		
Mr. Ramesh Chandak	Chairman	Independent Director	✓	✓	✓	✓	✓	✓	6	6
Mrs. Uma Mandavgane	Member	Independent Director	✓	✓	✓	✓	✓	✓	6	6
Mr. Mohinder Pal Bansal	Member	Independent Director	x	✓	✓	✓	✓	✓	6	5

Performance Evaluation:

In compliance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulation 2015, annual performance evaluation of the Board and its Directors individually was carried out. Various parameters such as the Board's functioning, composition of its Board and Committees, execution and performance of specific duties, obligations and governance were considered for evaluation. The performance evaluation of the Board as a whole was carried out by the Nomination and Remuneration Committee. The performance evaluation of each Independent Director was also carried out by the Board. The Board of Directors expressed their satisfaction with the evaluation process.

Remuneration of Executive Directors:

The details of the remuneration paid to Mr. Jayant Chheda, Chairman and Managing Director, Mr. Parag Chheda, Executive Director, Mr. Vipul Chheda, Executive Director and Mrs. Heena Chheda, Former Executive Director during the year under review are as follows:

(₹ In Millions)

Particulars	Names of Executive Director			
	Mr. Jayant Chheda	Mr. Parag Chheda	Mr. Vipul Chheda	Mrs. Heena Chheda*
Gross Salary (₹)	16.28	11.22	10.02	4.18
Commission	-	-	-	-
Incentives	-	-	-	-
Date of Agreement	September 08, 2017	September 08, 2017	September 08, 2017	September 08, 2017
No. of years	3	3	3	3
Stock Options	-	-	-	-

* Mrs. Heena Chheda, Executive Director resigned from the directorship w.e.f. November 28, 2020.

Criteria for making payments to Non-Executive Directors:

The Non-Executive Independent Directors are only paid sitting fees for their attendance at the Board Meeting and certain Committee Meetings. The Company pays sitting fees of ₹ 1,00,000/- for attending each Board Meeting, ₹ 75,000/- for attending each Audit Committee Meeting and ₹ 50,000/- for attending meetings of each Stakeholder Relationship Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee.

Details of Sitting Fees Paid to Independent Directors for attending Board and Committee Meetings for the Financial Year 2019-2020.

Name of Independent Director	Sitting Fees (₹ in million)
Mr. Mohinder Pal Bansal	0.58
Mr. Ramesh Chandak	0.63
Mrs. Uma Mandavgane	0.75
Mr. Sundar Parthasarathy*	-
Mr. Dilip Deshpande**	0.47

* Ceased to be an Independent Director w.e.f. May 13, 2020

** Appointed as an Independent Director w.e.f. June 29, 2019

Stakeholders' Relationship Committee:

The Stakeholders Relationship Committee was constituted by a resolution of the Board dated September 16, 2017 and reconstituted on November 28, 2019, in compliance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations.

Scope and terms of reference:

The role of the Stakeholders Relationship Committee shall be as follows:

- redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc. and assisting with quarterly reporting of such complaints;
- giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
- overseeing the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services; and
- carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act, 2013 or SEBI Listing Regulations, or by any other regulatory authority.

Composition and Attendance of the members of the Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee met one (1) time during the Financial Year 2019-20. The necessary quorum was present for all the Meetings. The Stakeholders' Relationship Committee Meetings were held as follows:

- March 12, 2020

The Composition of the Stakeholders' Relationship Committee and details of meetings attended by its members during the financial year 2019-20 is given below:

Stakeholders' Relationship Committee Meeting Attendance

Names of Director	Position	Category	SRC Meeting dated 12/03/20	No. of Meetings held during tenure	No. of Meetings attended
Mr. Ramesh Chandak	Chairman	Independent Director	✓	1	1
Mr. Vipul Chheda	Member	Executive Director	✓	1	1
Mr. Parag Chheda**	Member	Executive Director	✓	1	1
Mrs. Heena Chheda*	Member	Executive Director	NA	NA	NA

*Ceased to be a member w.e.f. November 28, 2019

** Inducted as a member w.e.f. November 28, 2019

Name, Designation and address of Compliance Officer:

Shailesh K. Bhaskar

Company Secretary and Compliance Officer

Address: 8th Floor, The Ruby, 29, Senapati Bapat Marg, Dadar West, Mumbai 400 028.

Phone: 022-6602 2222

Fax: 022- 6602 2220

Email: investor@princepipes.com

Particulars of investors' complaints handled by the Company and its Registrar & Share Transfer Agent during the year:

M/s. Link Intime India Private Limited, is acting as the Registrar and Share Transfer Agent of the Company to carry out the share transfer and other related work. Company Secretary of the Company is the Compliance Officer in terms of Regulation 6 of the Listing Regulations. The Share Transfer Agent has timely resolved/attended all the complaints and no complaint or grievance remained unattended/ unresolved at the end of the year. Details of the complaints received and resolved during the year ended March 31, 2020 are as under:

Particulars	No. of complaint
Received during the year	25
Resolved during the year	25
Pending as at March 31, 2020	Nil

Corporate Social Responsibility (CSR) Committee:

The Corporate Social Responsibility Committee was constituted by a resolution of the Board dated September 16, 2017, in compliance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations.

Scope and terms of reference:

The role of the Corporate Social Responsibility Committee shall be as follows:

- (a) To formulate and recommend to the board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013 and make any revisions therein as and when decided by the Board;
- (b) To recommend the amount of expenditure to be incurred on the activities referred to in (a);
- (c) To monitor the Corporate Social Responsibility Policy of the company from time to time;
- (d) To do such other acts, deeds and things as may be required to comply with the applicable laws; and
- (e) To perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority.

Composition and Attendance of the members of the CSR Committee:

The Corporate Social Responsibility Committee met One (1) time during the Financial Year 2019-20. The necessary quorum was present for all the Meetings. The Corporate Social Responsibility Committee Meetings were held as follows:

- 1) February 11, 2020

The Composition of the Corporate Social Responsibility Committee and details of meetings attended by its members during the Financial Year 2019-20 is given below:

Corporate Social Responsibility Committee Meeting Attendance

Names of Director	Position	Category	CSR Committee Meeting dated 11/02/20	No. of Meetings held during the tenure	No. of Meetings attended
Mr. Jayant Chheda	Chairman	Executive Director	✓	1	1
Mr. Parag Chheda	Member	Executive Director	✓	1	1
Mrs. Uma Mandavgane	Member	Independent Director	✓	1	1

IPO Committee:

The IPO Committee was constituted by a resolution of the Board dated September 16, 2017 and reconstituted on June 6, 2018.

Scope and terms of reference:

The role of the IPO Committee shall be as follows:

- (i) to decide, in consultation with the BRLMs, on the IPO size (including any reservation for employees, and/or any other reservations or firm allotments as may be permitted, green shoe option and/ or any rounding off in the event of any oversubscription), timing, pricing (price band, issue price, including to anchor investors etc.) and all other terms and conditions of the IPO, including the price, premium, discount (as permitted under Applicable Laws) and to make any amendments, modifications, variations or alterations thereto;
- (ii) to make applications to the Stock Exchanges for in-principle approval for listing of its equity shares and file such papers and documents, including a copy of the DRHP filed with Securities and Exchange Board of India, as may be required for the purpose;
- (iii) to take all actions as may be necessary or authorized, in connection with the Offer for Sale, including taking on record the approval of the Offer for Sale, extending the Bid/Offer period, revision of the Price Band, allow revision of the Offer for Sale portion in case any Selling Shareholder decides to revise it, in accordance with the Applicable Laws;
- (iv) to invite the existing shareholders of our Company to participate in the IPO to offer for sale Equity Shares held by them at the same price as in the IPO;
- (v) authorisation of any director or directors of our Company or other officer or officers of our Company, including by the grant of power of attorney, to do such acts, deeds and things as such authorised

person in his/her/their absolute discretion may deem necessary or desirable in connection with the issue, offer and allotment/transfer of the Equity Shares;

- (vi) giving or authorising any concerned person to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time;
- (vii) to appoint and enter into arrangements with the BRLMs, underwriters, syndicate members, brokers, advisors, escrow collection banks, registrars, refund banks, public issue account banks, monitoring agency, legal counsel, advertising agencies and any other agencies or persons or intermediaries to the IPO and to negotiate and finalise the terms of their appointment;
- (viii) to seek, if required, the consent of the lenders to our Company and/or the lenders to the subsidiaries of our Company, industry data providers, parties with whom our Company has entered into various commercial and other agreements including without limitation customers, suppliers, strategic partners of our Company, any concerned government and regulatory authorities in India or outside India, and any other consent, approval or waiver that may be required in connection with the IPO, if any;
- (ix) to approve the list of 'group companies' of our Company, identified pursuant to the materiality policy adopted by the Board, for the purposes of disclosure in the DRHP, RHP and the Prospectus;
- (x) to make applications to, seek clarifications and obtain approvals from, if necessary, the RBI, the SEBI or any other statutory or governmental authorities in connection with the IPO and, wherever necessary, incorporate such modifications/ amendments/ alterations/ corrections as may be required in the DRHP, the RHP and the Prospectus;
- (xi) to negotiate, finalise, settle, execute and deliver or arrange the delivery of the BRLMs' mandate or

- engagement letter, the offer agreement, registrar agreement, syndicate agreement, underwriting agreement, cash escrow agreement, share escrow agreement and all other documents, deeds, agreements, memorandum of understanding and other instruments whatsoever, including any amendment(s) or addenda thereto, including with respect to the payment of commissions, brokerages and fees, with the BRLMs, registrar to the IPO, legal advisors, auditors, Stock Exchanges and any other agencies/intermediaries in connection with the IPO with the power to authorise one or more officers of our Company to negotiate, execute and deliver all or any of the aforesaid documents;
- (xii) to open and operate any bank account(s) required of our Company for the purposes of the IPO and the Pre-IPO Placement, including the cash escrow account, the public issue account as may be required;
- (xiii) deciding the pricing and all other related matters regarding the Pre-IPO Placement, including the execution of the relevant documents with the investors in consultation with the BRLMs and in accordance with Applicable Laws;
- (xiv) approving the DRHP, RHP and the Prospectus (including amending, varying or modifying the same, as may be considered desirable or expedient) and the preliminary and final international wrap for the IPO together with any addenda, corrigenda and supplement thereto as finalised in consultation with the BRLMs, in accordance with all applicable laws, rules, regulations, notifications, circulars, orders and guidelines and take all such actions as may be necessary for filing of these documents including incorporating such alterations/corrections/modifications as may be required by and to submit undertakings/certificates or provide clarifications to SEBI or any other relevant governmental and statutory authority;
- (xv) seeking the listing of the Equity Shares on any Indian stock exchange, submitting the listing application to such stock exchange and taking all actions that may be necessary in connection with obtaining such listing;
- (xvi) to issue receipts/allotment letters/confirmation of allocation notes either in physical or electronic mode representing the underlying Equity Shares in the capital of our Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices, regulations and applicable law, including listing on one or more Stock Exchanges, with power to authorise one or more officers of our Company to sign all or any of the aforesaid documents;
- (xvii) to make applications for listing of the Equity Shares on the Stock Exchange for listing of the Equity Shares of our Company and to execute and to deliver or arrange the delivery of necessary documentation to the Stock Exchanges and to take all such other actions as may be necessary in connection with obtaining such listing;
- (xviii) accept and appropriate proceeds of the Fresh Issue in accordance with the Applicable Laws;
- (xix) to do all such deeds and acts as may be required to dematerialise the Equity Shares of our Company and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, as may be required in this connection with power to authorise one or more officers of our Company to execute all or any of the aforesaid documents;
- (xx) to authorise and approve the incurring of expenditure and payment of fees, commissions, remuneration and expenses in connection with the IPO;
- (xxi) to withdraw the DRHP or the RHP or to decide not to proceed with the IPO at any stage in accordance with the SEBI ICDR Regulations and applicable laws;
- (xxii) to do all such acts, deeds, matters and things and execute all such other documents, etc. as it may, in consultation with the BRLMs, deem necessary or desirable for the IPO, including without limitation, determining the anchor investor portion and allocation to Anchor Investors, finalizing the basis of allocation and allotment of Equity Shares to the successful allottees and credit of Equity Shares to the demat accounts of the successful allottees in accordance with Applicable Laws and any documents or instruments so executed and delivered or acts and things done or caused to be done by committee shall be conclusive evidence of the authority of the committee in so doing;

- (xxiii) to settle all questions, remove any difficulties or doubts that may arise from time to time in regard to the IPO, including with respect to the issue, offer or allotment of the Equity Shares, terms of the IPO, utilisation of the IPO proceeds, appointment of intermediaries for the IPO and such other issues as it may, in its absolute discretion deem fit;
- (xxiv) to take such action, give such directions, as may be necessary or desirable as regards the IPO and to do all such acts, matters, deeds and things, including but not limited to the allotment of Equity Shares against the valid applications received in the IPO, as are in the best interests of our Company;
- (xxv) to negotiate, finalise, settle, execute and deliver any and all other documents or instruments and doing or causing to be done any and all acts or things as may be deemed necessary, appropriate or advisable in order to carry out the purposes and intent of

the foregoing or in connection with the IPO. Any documents or instruments so executed and delivered or acts and things done or caused to be done by the Board shall be conclusive evidence of the authority of the Board in so doing; and

- (xxvi) to delegate any of the powers mentioned in (i) to (xxv) to such persons as the IPO Committee may deem necessary.

Composition and Attendance of the members of the IPO Committee:

During the year under review, the IPO Committee met three (3) times on December 17, 2019, December 23, 2019, and December 26, 2019. The required quorum was present at all the above meetings.

Composition of the IPO Committee and the details of attendance by the Members at the meeting(s) held during the year under review are as under:

IPO Committee Meeting Attendance

Name of the Directors	Position	Category	IPO Committee Meeting number			Held during the tenure	Attended
			1	2	3		
Mr. Parag Chheda	Chairman	Executive Director	✓	✓	✓	3	3
Mr. Jayant Chheda	Member	Executive Director	✓	✓	✓	3	3
Mr. Mohinder Pal Bansal	Member	Independent Director	✓	✓	✓	3	3

Finance Committee

The Finance Committee was constituted by a resolution of the Board dated September 16, 2017 and reconstituted on February 11, 2020.

Scope and Terms of Reference:

- a) To renew Term Loans and/or Working Capital Facility from Banks, Financial Institutions, within the overall limits prescribed by the Shareholders of the Company from time to time.
- b) To renew the Bank Guarantees in favour of vendors or suppliers of the Company.
- c) To authorise opening and closing of bank accounts including Internet banking facility;

- d) To authorise additions/deletions to the signatories for operating bank accounts including Internet banking facility;
- e) To address and deal with such other matters as may be delegated by the Board to the Finance Committee from time to time.

Composition of the Finance Committee and the details of attendance by the Members at the meeting(s) held during the year under review are as under:

During the year under review, the Finance Committee met one (1) time on February 14, 2020. The required quorum was present at that meeting.

Finance Committee Meeting Attendance

Name of the Directors	Position	Category	Finance Committee meeting dated 14/02/20	Held during the tenure	Attended
Mr. Parag Chheda	Member	Executive Director	✓	1	1
Mr. Jayant Chheda	Member	Executive Director	✓	1	1
Mr. Vipul Chheda	Member	Executive Director	✓	1	1

Risk Management Committee:

Pursuant to the Regulation 21 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, Risk Management Committee of the Board of the Company was formed with effect from June 25, 2020 for Monitoring and reviewing of the risk management plan, identifying and assessing the nature and extent of internal and external risks that may impact the Company in achieving its strategic objectives with the following members of the Board and Company:

1. Mr. Ramesh Chandak (Independent Director) - Chairperson
2. Mr. Mohinder Pal Bansal (Independent Director) - Member
3. Mr. Parag Chheda (Executive Director) – Member
4. Mr. Shyam Sharda (CFO) - Member.

Brief Terms of Reference:

- 1) oversee and guide in developing a structured/ defined framework for identifying and assessing and reporting of both existing and new risks associated with the Company so as to facilitate timely and effective management of risks and opportunities for achieving the Company's objectives oversee and guide in developing a structured/defined framework for identifying and assessing and reporting of both existing and new risks associated with the Company so as to facilitate timely and effective management of risks and opportunities for achieving the Company's objectives;
- 2) periodic review of Risk Management Framework ('the Framework') comprising of policies, procedures and practices of the Company and to assess the effectiveness of the same and initiate corrective actions wherever required including any change that may be required to the framework in the light of various external and internal factors (whether political, sociological or technical or other) which will have impact on the business of the Company;

- 3) adopt and review periodically best business practices and policies;
- 4) review and monitor compliance with the regulatory framework and the statutory requirements;
- 5) set/define standardised approach for minimization and mitigation of identified risks review and guide the senior management from time to time in setting up a work culture which would encourage staff/ team of the Company at all levels to identify risks and opportunities and respond them effectively;
- 6) review reports on any material breaches of risk limits/ parameters and the adequacy of the proposed action;
- 7) before a decision to proceed is taken by the board, advise the board on proposed strategic transactions including acquisitions or disposals, ensuring that a due diligence appraisal of the proposition is undertaken, focusing in particular on risk aspects and implications for the risk appetite and tolerance of the Company, and taking independent external advice where appropriate and available;

4. CEO/ CFO CERTIFICATION

Mr. Jayant Chheda, Chairman and Managing Director & Mr. Shyam Sharda, Chief Financial Officer, has issued necessary certification to the Board in terms of Part B of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same was taken on record by the Board at its meeting held on June 25, 2020.

A copy of this certificate is annexed to this Report at **Annexure B**.

5. GENERAL BODY MEETING:

Details of Last Three Annual General Meetings (AGM):

Particulars	F.Y 2016-17	FY 2017-18	FY 2018-19
Date	September 15, 2017	August 20, 2018	September 27, 2019
Time	11:00 AM	11:00 AM	11:00 AM
Venue	Plot No.1, Honda Industrial Estate, Phase II, Honda Sattari, Honda, Goa- 403530.	Plot No.1, Honda Industrial Estate, Phase II, Honda Sattari, Honda, Goa- 403530.	Plot No.1, Honda Industrial Estate, Phase II, Honda Sattari, Honda, Goa- 403530.
Special Resolutions	a) Re-appointment of Mr. Jayant Shamji Chheda as Managing Director of the Company. b) Re-appointment of Mr. Parag Chheda as Whole Time Director of the Company c) Re-appointment of Mr. Vipul Chheda as Whole Time Director of the Company d) Re-designated of Mrs. Heena Chheda as Whole Time Director of the Company e) Approval of Related Party transactions f) Raising of capital through a further issue of securities g) Grant And Issue Of Options And Equity Shares Under The Employee Stock Option Scheme 2017	-	-

Extra Ordinary General Meeting:

During the year, the Company had two (2) Extra Ordinary General Meetings on November 25, 2019 and November 28, 2019.

Date	November 25, 2019	November 28, 2019
Time	10:00 AM	02:00 PM
Venue	8th Floor, the Ruby, Senapati Bapat Marg, Dadar West, Mumbai 4000 028.	8th Floor, the Ruby, Senapati Bapat Marg, Dadar West, Mumbai 4000 028.
Special Resolution	a) Authorization for issuance of 596,500 Compulsorily Convertible Cumulative Preference Shares on preferential basis and circulation of the private placement offer cum application letter.	a) Approval for adoption of restated articles of association

Postal Ballot

The Company has not passed any Special Resolution through postal ballot during the Financial Year 2019-20.

filed by the Company on the BSE Limited and National Stock Exchange of India Ltd. The Company interacts on a regular basis with its stakeholders through results, announcements, annual report, press releases and Company's website.

6. MEANS OF COMMUNICATION

Subsequent to the listing of the Company on December 30, 2019, the Company has been undertaking dissemination of information in line with the Listing Regulations on its website at www.princepipes.com. The information is also

The Company publishes its Annual, Half yearly and Quarterly financial results in the following newspapers: (i). Financial Express (English) (All Editions) (National) (ii). Goa Dooth (Marathi). The financial results are also displayed on the Company's website at www.princepipes.com.

The Company has organised investor conference call to discuss its financial results, where investor queries were answered by the Executive Management of the Company. The transcript of the conference call is posted on the website of the Company at www.princepipes.com.

Green Initiative:

In line with the “Green Initiative” undertaken by the Ministry of Corporate Affairs, the Company will be sending this year’s Annual Report (including subsequent notices and communications, as permissible) to the shareholders who have registered their email address with the Company / Depository to their registered email address. The Annual Reports of the Company are also available in the Investor Relations section of the Company’s website at www.princepipes.com.

7. GENERAL SHAREHOLDER INFORMATION

Financial Calendar	April 01, 2019 – March 31, 2020	
Date of the Board Meeting at which the final accounts were approved	June 25, 2020	
33rd Annual General Meeting	Date:	September 23, 2020
	Day:	Wednesday
	Time:	11:30 AM
	Venue/Virtual Meeting	The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020, SEBI circular dated May 12, 2020, and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.
Date of the Book Closure	Thursday, September 17, 2020 to Wednesday, September 23, 2020 (Both days inclusive)	
Listing on Stock Exchanges	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001 The National Stock Exchange of India Ltd. Exchange plaza, 5th floor, Bandra-kurla Complex, Bandra (E), Mumbai 400051.	
Date of Listing	December 30, 2019	
Stock Code	BSE: 542907 NSE: PRINCEPIPE	
Corporate Identity Number (CIN)	L26932GA1987PLC006287	
ISIN	INE689W01016	
Company’s Address for correspondence	Mr. Shailesh Bhaskar Company Secretary & Compliance Officer 8th Floor, The Ruby, 29, Senapati Bapat Marg, Dadar West, Mumbai – 400 028 Tel: 022 – 6602 2222 Fax: 022 – 6602 2220 Email id: investor@princepipes.com Website: www.princepipes.com Mr. Rabindra Basu Investor Relation 8th Floor, The Ruby, 29, Senapati Bapat Marg, Dadar West, Mumbai – 400 028 Tel: 022 – 6602 2222 Fax: 022 – 6602 2220 Email id: investor@princepipes.com Website: www.princepipes.com	
Address of the Registrars & Share Transfer Agents of the Bank	Link Intime India Private Limited C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai – 400 083, Tel: 022 49186000 Fax: 022 49186060 Email id: rnt.helpdesk@linkintime.co.in	

Financial Calendar (Tentative):

Unaudited Financial Result for the first quarter ending June 30, 2020	On or before August 14, 2020
Unaudited Financial Result for the second quarter ending September 30, 2020	On or before November 14, 2020
Unaudited Financial Result for the third quarter ending December 31, 2020	On or before February 14, 2021
Audited Financial Result for the year ending March 31, 2021	Within 60 days of the close of financial Year ending on March 31, 2021 i.e. On or before May 30, 2021

Dividend Payment:

No dividend is proposed to be declared at the forthcoming Annual General Meeting.

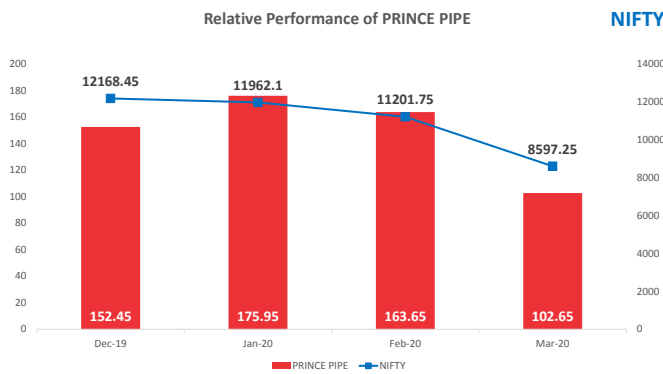
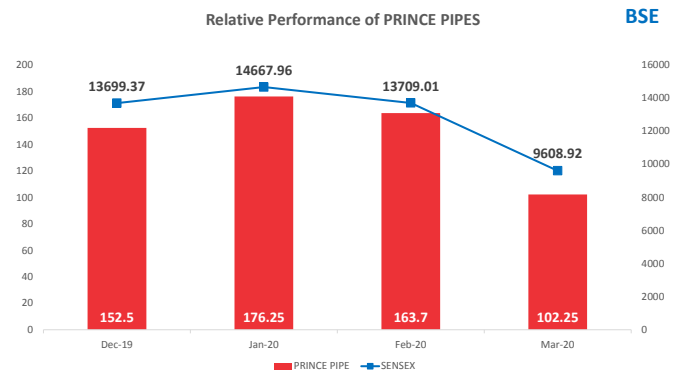
Payment of Listing Fees:

The Company has paid the Annual Listing Fees to both the Stock Exchanges for the Financial Year 2020-2021 within the stipulated time.

Stock Market Price Data of Company's shares

The Company's shares were listed on the exchanges w.e.f. December 30, 2019. The monthly high and low price of the Company's shares traded on the BSE Limited and National Stock Exchange of India Limited during the period December 30, 2019 to March 31, 2020 are as under.

Month	BSE Limited (BSE)		National Stock Exchange of India Limited (NSE)	
	High Price (₹)	Low Price (Low Price)	High Price (₹)	Low Price (Low Price)
December, 2019	177.95	150.70	177.90	150.60
January, 2020	184.30	145.00	184.40	143.00
February, 2020	197.05	162.70	196.65	162.65
March, 2020	168.60	88.00	168.35	89.00

Performance of the Company's equity shares relative to Nifty50 from December 30, 2019 and up to March 31, 2020**Performance of the Company's equity shares relative to S&P BSE SmallCap from December 30, 2019 and up to March 31, 2020**

Share Transfer System:

The shares of the Company are traded on the Stock Exchanges through the Depository System. 100% of the Equity Shares of the Company are in dematerialised form. All requests received by the Company/ RTA are disposed of expeditiously.

Shareholding pattern as on March 31, 2020:

Sr. No	Category	No of Shareholders	No of Shares	% of Shareholding
A.	Promoter and Promoter Group	11	69588856	63.25
B.	Public			
(I)	Institutional Investors			
	Mutual Funds	14	12226499	11.11
	Alternate Investment Funds II	6	6999948	6.36
	Foreign Portfolio Investor	5	1008422	0.92
	Financial Institutions / Banks	1	36320	0.03
	Insurance Companies	2	1967992	1.79
II)	Non-Institutional Investors			
	Individual	51725	10954269	9.95
	Trust	1	100	0.00
	HUF	1429	430572	0.39
	Foreign Companies	1	5926820	5.39
	NRI	414	177599	0.16
	Clearing member	90	114167	0.10
	Bodies Corporate	218	594195	0.54
	Total (B)	53906	40436903	36.75
	GRAND TOTAL (A + B)	53917	110025759	100

Distribution of Shareholding as on March 31, 2020:

SR. NO.	SHAREHOLDING OF SHARES			SHAREHOLDER	PERCENTAGE OF TOTAL	TOTALSHARES
1	1	To	500	52431	97.24	4424274
2	501	To	1000	685	1.27	517937
3	1001	To	2000	377	0.70	538694
4	2001	To	3000	113	0.21	279469
5	3001	To	4000	67	0.12	232752
6	4001	To	5000	45	0.08	213643
7	5001	To	10000	76	0.14	561385
8	10001	To	*****	123	0.23	103257605
	Total			53917	100	110025759

Lock-in of Equity Shares:

As on March 31, 2020, total 8,19,35,874 pre-issue shares, were under lock-in as under.

No. of equity shares	Lock-in Period
22,044,848	3 Years from December 26, 2019 to December 26, 2022
5,98,91,026	1 Year from December 26, 2019 to December 26, 2020

Dematerialisation of Shares and Liquidity

Trading in Company's Equity Shares is compulsorily in dematerialised mode for all investors, as prescribed by the Securities and Exchange Board of India. As on date, entire share capital of the Company are held in dematerialised mode. The shares of the Company are regularly traded at both the Stock Exchanges where they are listed, which ensures the necessary liquidity to shareholders.

As on March 31, 2020, 100% of company's shares were held in demat mode as per the statement given below.

Category	No of Shares	% of Holding
NSDL	100100386	90.98
CDSL	9925373	09.02
Total	110025759	100.00

Compliance with Secretarial Standards:

The Institute of Company Secretaries of India issued Secretarial Standards for Board and General Meetings in exercise of powers under Section 118 of the Companies Act, 2013. The Company complies with all requirements of said Secretarial Standards.

Reconciliation of Share Capital Audit:

As the Company's equity shares got listed effective from December 30, 2019, Reconciliation of Share Capital Audit under Regulation 76 of Securities Exchange Board of India (Depositories and Participants) Regulations, 2018, were carried out by a Practicing Company Secretary for each quarter starting from quarter ended December 31, 2019, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total paid-up, issued and listed capital. The Reconciliation of Share Capital Audit Reports (the Audit report) confirm that the total issued, subscribed and paid-up capital is in agreement with the total number of

shares in physical form and dematerialized form held with the depositories. The said Audit Reports for quarter ended December 2019 and March 2020 have been filed with Stock Exchanges within the stipulated time.

Outstanding Global Depository Receipts (GDRs)/ American Depository Receipts (ADRs)/ Warrants or any convertible instruments, conversion date and likely impact on equity:

As on March 31, 2020, the Company does not have any outstanding GDRs/ADRs/warrants or any convertible instrument

Commodity price risk or foreign exchange risk and hedging activities:

The sources of risks which the company is exposed to and their management is given under Note no. 32 titled as "Financial Risk Management Objectives (Ind AS 107)" of the Financial Results as annexed to this Annual Report.

Details and utilization of proceeds from public issue, rights issue, preferential issue etc:

Your Company has appointed HDFC Bank Limited as the Monitoring agency in terms of regulation 16 of SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2009 as amended, to monitor the utilization of IPO proceeds and Company has obtained monitoring reports from the Monitoring agency from time to time and filed the same with both exchanges where equity shares of the Company are listed. The proceeds realized by the Company from the initial Public offering shall be utilized as per objects of the offer as disclosed in the Prospectus of the Company.

Out of the IPO proceeds of ₹ 2,500 million, your Company has utilized ₹ 419 million as per objects of the offer and unutilized amount of ₹ 2,081 million has been invested in the fixed deposits with the Bank. The proceeds of the issue were mainly utilized for repayment or prepayment of certain outstanding loans availed by our Company and General corporate purposes. There has been no deviation in the utilization of the IPO proceeds of the Company. The Monitoring Agency Reports' are available at the Company's website at www.princepipes.com.

Further, the details of Utilisation of Net IPO Proceeds and proceeds from Pre IPO placement for the year ended March 31, 2020 has been provided in notes to the Accounts.

Plant locations

As mentioned on the cover page of the Annual Report.

Credit Rating:

During the year, the Company has received the following credit ratings from M/s. CARE Ratings Limited:

Instruments	Rating	Remarks
Long Term Bank Facilities - Term Loan	CARE A-; Stable (Single A Minus; Outlook: Stable)	Revised from CARE BBB+; Stable (Triple B Plus; Outlook: Stable)
Long term Bank Facilities - Fund based	CARE A-; Stable (Single A Minus; Outlook: Stable)	Revised from CARE BBB+; Stable (Triple B Plus; Outlook: Stable)
Short term Bank Facilities	CARE A2+ (A Two Plus)	Revised from CARE A3+ (A Three Plus)

8. **The information required under the Management Discussion and Analysis Report has been aptly covered under the Directors' Report.**

9. **OTHER DISCLOSURES**

Material Transaction with Related Parties

All Related Party Transactions as defined under the Companies Act, 2013 were in the ordinary course of business and on at Arm's Length basis. The Board has approved a policy for Related Party Transactions which has been uploaded on the Company's website at www.princepipes.com.

Details of Compliance:

There have been no instances of non-compliance by the Company, imposition of penalties and strictures by the stock exchanges(s), SEBI or any statutory authority, on any matter related to the capital markets, during the last three years.

Vigil Mechanism / Whistle Blower Policy:

Pursuant to Section 177(9) and (10) of the The Companies Act, 2013 Act, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the

Audit Committee. The Whistle Blower Policy is displayed on the Company's website at www.princepipes.com.

Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has zero tolerance for sexual harassment at workplace and 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 for prevention and redressal of complaints of sexual harassment at workplace. The said policy is available on the website of the company at www.princepipes.com.

During the period under review, the Company had not received any complaints on sexual harassment under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Policy for determining 'material' subsidiaries:

The Board of Directors of the Company has adopted a policy for determination of material subsidiaries and the same is published on the website at www.princepipes.com. During the year under review, the Company does not have any material subsidiary.

Disqualification of Directors:

M/s. Sanjay Dholakia & Associates, Company Secretaries in Practice, (PCS No. 1798) have certified that as on March 31, 2020, none of the Directors on the Board of the Company

have 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. Certificate is annexed to this Report as **Annexure C**.

Recommendations of Committees:

All recommendations of the committees from time to time have been considered by the Board of Directors, while arriving at any decision, and there has been no instance during the year under review, where any such recommendation which is mandatory in nature has not been abided with.

Total fees for services paid to Statutory Auditor:

The total fees incurred by the Company for services rendered by Statutory Auditors are given below

Fee paid (excluding taxes)	Amount (₹ in Million)
Statutory Audit/Limited review*	6.78
Certification and other attestation services	0.04
Non-audit services	0.03
Total	6.85

*of the above ₹ 3.28 million relates to IPO which is adjusted towards securities premium.

Discretionary Requirements (Part E of Schedule II Of Listing Regulations):

The Board:

As on financial year ending March 31, 2020, Mr. Jayant Chheda (Managing Director) was the Chairman of the Board.

Date: July 31, 2020
Place: Mumbai

Shareholders' right:

Quarterly and half yearly financial results of the Company are furnished to the Stock Exchanges and are also published in the newspapers and uploaded on website of the Company. Significant events are also posted on the Company's website under the Investors section along with uploading with the stock exchanges.

Modified opinion(s) in audit report:

During the year under review, the Company has unmodified audit opinion on the Company's financial statements. The Company continues to adopt best practices to ensure a track record of financial statements with unmodified audit opinion on financial statements.

Reporting of internal auditor:

Internal Auditors are invited to the meetings of Audit Committee to make presentation to the Committee on their observations during the course of their Internal Audit.

Details of Compliance with Mandatory Requirement:

Post listing of shares of the Company on December 30, 2019, all disclosures in compliance with the Corporate Governance requirement specified in regulation 17 to 27 and clause (b) to (i) of sub regulation (2) of Regulation 46 to the extent applicable are uploaded on Company' website at www.princepipes.com and have complied with the said regulations.

Compliance certificate from Practising Company Secretary regarding compliance of conditions of corporate governance:

A certificate from Practising Company Secretary regarding compliance of conditions of Corporate Governance is annexed to this Report as **Annexure D**.

Sd/-
Jayant Chheda
Chairman & Managing Director
(DIN:00013206)

ANNEXURE A

DECLARATION ON CODE OF CONDUCT

This is to confirm that the Company has laid down Code of Conduct for all its Board Members and Senior Management personnel of the Company. The code of conduct has also been posted on the website of the Company i.e. www.princepipes.com. It is further confirmed that all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the Financial Year ended March 31, 2020, as envisaged in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sd/-
Jayant Chheda
 Chairman & Managing Director
 (DIN:00013206)

Date: July 31, 2020

Place: Mumbai

ANNEXURE B

CEO/CFO CERTIFICATION

To,
 The Board of Directors
 Prince Pipes and Fittings Limited

We, Jayant Chheda, Chairman and Managing Director and Shyam Sharda, Chief Financial Officer hereby certify that:

- a) We have reviewed the Financial Statements and the Cash Flow Statement for the Year ended March 31, 2020 and that to the best of our knowledge and belief:
 - 1) the statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 2) the statements together present true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
 - 1) Significant changes in internal control over financial reporting during the year;
 - 2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - 3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai
 Date: June 25, 2020

Jayant Chheda
 Chairman and Managing Director
 (DIN: 00013206)

Shyam Sharda
 Chief Financial Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
PRINCE PIPES AND FITTINGS LIMITED

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of PRINCE PIPES AND FITTINGS LIMITED having CIN L26932GA1987PLC006287 and having registered office at Plot No.1, Honda Industrial Estate, Phase II, Honda Sattari Honda, Goa 403530 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015..

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2020 have 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 other Statutory Authority

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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.

Further we have to state that we have not carried out the physical inspection of any records maintained by the Company due to prevailing lock down conditions owing to COVID 2019 across the country. We have relied on the records as made available by the Company by digital mode and also on the Management Representation Letter issued by the Company.

For SANJAY DHOLAKIA & ASSOCIATES

(SANJAY DHOLAKIA)
Practising Company Secretary
Proprietor

Place: Mumbai
Date: July 31, 2020

FCS 2655 CP 1798
UDIN: F002655B000535726

ANNEXURE D

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
PRINCE PIPES AND FITTINGS LIMITED
CIN L26932GA1987PLC006287
GOA

We have examined the compliance of conditions of Corporate Governance PRINCE PIPES AND FITTINGS LIMITED, for the year ended on 31st March 2020, as stipulated in Schedule V (E) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with Stock Exchanges except the following:

During the year under review one Independent Director, Mr. Mohinder Pal Bansal along with his son Mr. Ankur Bansal has acquired 450 Equity Shares and 1723 Equity Shares of the Company, respectively aggregating to total amount of ₹ 3,58,740.57/- (Rupees Three Lakh Fifty- Eight Thousand Seven Hundred Forty and Fifty -Seven Paise Only) during the closure of Trading Window without intimating the said transaction to the Company Secretary and Compliance officer of the Company within the provisions of PIT Regulations. The Company when coming to the knowledge of the same has penalised the said Independent Director and asked him to pay a sum of Rs 25000/- (Twenty Five Thousand Only) and this amount shall be paid to charity and accordingly he paid. Same was intimated to SEBI and the exchanges by the Company.

The filing under Regulation 74(5) of LODR for the quarter ended 31st December, 2019 and 31st March, 2020. The filing was not done for these two quarters. However the Company has now complied with the same.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated under the above mentioned Listing Regulations, as applicable. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Director and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Schedule V (E) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

For SANJAY DHOLAKIA & ASSOCIATES

(SANJAY DHOLAKIA)
Practising Company Secretary
Proprietor

Place: Mumbai
Date: July 31, 2020

FCS 2655 CP 1798
UDIN: F002655B000535726

BUSINESS RESPONSIBILITY REPORT

Introduction

Prince Pipes and Fittings Limited ("the Company" or "We") presents its Business Responsibility Report for the financial year ended March 31, 2020 pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI notification dated November 4, 2015.

The disclosures on Business Responsibility are aligned with the nine principles of National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, as notified by the Ministry of Corporate affairs ('MCA'), Government of India.

Over the years, the Company has been striving to build and maintain a strong structure by bringing together strengths to unlock new avenues for growth and delivering a more diversified suite of products and services to meet the needs of a growing India. We are committed towards constant innovations in plumbing, irrigation and sewerage technologies to meet the nation's constantly increasing water demands. We aim to pave the way for a future that provides clean water for everyone and everywhere; from the smallest villages to the largest cities. With the use of Manufacturing process to create extremely efficient piping systems, we aim at low-cost, non-contaminated water transport in every part of the country. The Company's underground drainage systems provide hassle-free sewerage for every situation.

Thus, the culture of and awareness regarding catering to environmental, social, health and safety needs are imbibed in the very nature of the Company's business model. We embrace environmental and social responsibility while creating value for our stakeholders.

The Company's philosophy on each principle is reproduced below:

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

We believe that for a successful and sustainable business, a strong foundation of ethical corporate citizenship and establishment of good corporate culture is essential. We are committed to operate our business ethically in a manner such that all stakeholders i.e. investors, creditors, distributors, customers, employees, and even competitors, the government and the society at large, are dealt with in a fair manner. We have always believed in adhering to the best governance practices to ensure protection of interests of all stakeholders of the Company in tandem with healthy growth of the Company.

The Company strives to maintain high standards of ethics in all spheres of its business activities. The Board of Directors and Senior Management strive and endeavor to set examples of utmost ethical behavior.

The Company's core management team aims at inculcating ethical behavior at all levels across the Company making it an essential part of the work culture so that every employee of the Company conducts himself with professionalism, honesty and integrity, and conforms to high moral and ethical grounds.

The Company has in place a Human Resources Manual covering internal code of conduct and business ethics which every employee needs to abide by. We ensure that genuine concerns of misconduct/ unlawful conduct can be reported in a responsible and confidential manner through the Company's Vigil Mechanism. We also encourage our business partners and third parties with whom we conduct business to abide by this policy.

Further, the Company also encourages transparency of operations by ensuring that the statutory disclosures are governed by the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, Determination of Materiality Policy, etc. The Company also regularly publishes necessary disclosures, investor presentations and important updates on its website. The Company informs all relevant stakeholders of the operating risks and strives to redress the issues raised as promptly as possible, being accountable for its actions.

The Company has zero tolerance for bribery and corruption in its business dealings and it believes in free and open competition and does not encourage any anti-competitive or unfair practice.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

We believe that sustainable development meets the needs of the present, without compromising the ability of future generations to meet their own needs. The Company endeavours to implement the principles of sustainability into the various stages of product or service lifecycle, including procurement of raw material/ service, manufacturing products or delivery of service, transportation of raw materials and finished goods, and disposal by consumers. We strive to ensure that the exploitation of resources, direction of investments, orientation of technological development and institutional change are in harmony and enhance both current and future potential to meet the human needs and aspirations.

The Company creates consumer awareness regarding their rights through product labelling, appropriate and helpful

marketing communication, mentioning full details of contents and composition as per the applicable laws and promotion of safe usage and disposal of products. The Company ensures that manufacturing processes and technologies required to produce its products are resource efficient and sustainable, even while designing the products.

Principle 3: Businesses should promote the well-being of all employees

Well-being of all employees is of prime importance to the Company. Safety, health and work life balance of employees are extremely important to the Company. We believe in giving our employees ample opportunities of growth by encouraging them to suo moto take up initiatives in the interest of the Company so that they are motivated, result oriented and committed to achieve excellence in their domain. We strive to provide work environment in which all individuals are treated with mutual respect and dignity.

The Company follows a policy of not employing child labour, adolescent labour, forced labour or any form of involuntary labour, paid or unpaid in any of its offices and plants and ensures fair, timely and transparent payment of statutory wages to all its employees without discrimination. The Company has a Policy on Prevention of Sexual Harassment, which deals extensively on providing a safe working environment and protection from sexual harassment.

The Company provides a workplace environment that is safe, hygienic, humane, and which upholds the dignity of the employees. It provides facilities for the well-being of its employees including those with special needs. The Company also complies with the statutory provisions pertaining to its employees and in particular about the health, safety and well-being of our employees.

We regularly conduct programs for enhancing the skills of its employees, improve their morale and for their overall career development. This is done through various sensitization programs, on-the-job training or training through various programmes - internal or external to upgrade their skills and competencies which shall include training to handle machines, raw materials and other products used during manufacturing of the products. Such trainings are imparted on a non-discriminatory basis based on the needs of the employees/ business.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

We believe in the principle that the interest of all stakeholders must be protected and at the same time, the Company must be responsive towards them and their needs, especially those who

are disadvantaged, vulnerable and marginalised. Stakeholder engagement leads to increased transparency, responsiveness, compliance, organisational learning, quality management, accountability and sustainability. The Company identifies its stakeholders, understands their concerns and commits to engage with them. We acknowledge, assume responsibility and are transparent about the impact of our policies, decisions, products, services and associated operations on the stakeholders.

Principle 5: Businesses should respect and promote human rights

The Company respects and promotes human rights of all individuals. It is committed to identify, prevent, and mitigate adverse human rights impact resulting from or caused by business activities beforehand or if they occur, through human rights due diligence and mitigation processes. We recognize the Company's impact on the communities in which we operate. We believe that local issues are most appropriately addressed at the local level. We are also committed to creating economic opportunity and fostering goodwill in the communities in which we operate through locally relevant initiatives.

The Company aims at integrating respect for human rights in management systems, through assessing and managing human rights impact of operations, and ensuring all individuals impacted by the business have access to grievance mechanisms. Within its sphere of influence, the Company promotes awareness and realization of human rights across its value chain.

Principle 6: Businesses should respect, protect, and make efforts to restore the environment

The Company is committed to adopt business practices that create long term stakeholder value by implementing opportunities and managing risks arising from economic, environmental and social developments. We strive to utilize natural and manmade resources in an optimal and responsible manner and ensure the sustainability of resources by reducing, reusing, recycling and managing waste.

We ensure that benefits arising out of access and commercialization of biological and other natural resources and associated traditional knowledge are shared equitably and continuously seek to improve our environmental performance by adopting cleaner production methods, promoting use of energy efficient and environment friendly technologies and use of renewable energy.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

We understand that during the course of Company's operations,

consistent and transparent interactions with various regulatory authorities and social organisations are required to be undertaken. We ensure that our engagement with the relevant authorities is guided by the values of commitment, integrity, transparency and the need to balance interest of diverse stakeholders. We engage with industry bodies and associations to influence public and regulatory policy in a responsible manner.

The Company works with industry organisations which are engaged in policy advocacy in a responsible manner and ensure that advocacy position remains consistent with its values and philosophy.

Principle 8: Businesses should support inclusive growth and equitable development

We believe that sustainable development calls for concerted efforts towards building an inclusive, sustainable and resilient future for people and planet. In order to achieve inclusive growth and equitable development, harmony of economic growth, social inclusion and environment protection is important.

The Company is committed to ensure protection of interest of all its stakeholders. In order to achieve inclusive growth and equitable development, we engage in various CSR projects in accordance with Schedule VII of the Companies Act, 2013.

We also innovate and invest in products, technologies and processes that promote the well-being of society and make efforts to complement and support the development priorities at local and national levels and ensure appropriate resettlement and rehabilitation of communities who have been displaced owing to our business operations.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

The Company discloses all information truthfully and factually as per applicable laws and educates customers through product labelling, advertisements, van activities, factory visits, trainings to dealers, shop retailers, plumbers, farmers, etc. and such other means, including information regarding the risks to the individual, society and to the planet from the use of the products, so that the customers can exercise their freedom to consume in a responsible manner. We take into account the overall well-being of the customers and that of society while serving the needs of its customers.

We have in place, an adequate consumer feedback mechanism to address consumer concerns and feedback. The Company also ensures that the customers' data collected by it does not infringe upon the right of privacy of its customers.

Section A: General Information about the Company

Corporate Identity Number (CIN) of the Company	L26932GA1987PLC006287	
Name of the Company	Prince Pipes and Fittings Limited	
Registered Address	Plot No.1, Honda Industrial Estate, Phase II, Honda Sattari Honda, Goa, India 403530	
Website	www.princepipes.com	
E-mail ID	investor@princepipes.com	
Financial Year reported	April 01, 2019 – March 31, 2020	
Sector(s) that the Company is engaged in (industrial activity code-wise)	Industrial Group Group: 222 Class: 2220	Description Manufacture of plastics products Manufacture of plastics products
	<i>As per National Industrial Classification – The Ministry of Statistics and Programme Implementation.</i>	

Three key product/ services manufactured (as in Balance sheet)	<ol style="list-style-type: none"> CPVC, UPVC Pipes (Chlorinated Polyvinyl Chloride and Unplasticized Polyvinyl Chloride Pipes) SWR Pipes (Soil, Waste and Rain Pipes) Fittings <p>For Plumbing, Agriculture and Sewage</p> <p>The other key products of the Company include Water Tanks, Cable Ducting, DWC Pipes.</p>
Total number of locations where business activity is undertaken by the Company:	
(a) Number of International Locations	(a) None
(b) Number of National locations	(b) Haridwar, Athal, Dadra, Kolhapur, Chennai, Jaipur and an upcoming plant in Telangana
Markets served by the Company – Local/ State/National/ International:	All

Section B: Financial Details of the Company:

1.	Paid up capital (INR)	1,100.26 million as on March 31, 2020
2.	Total Turnover (INR)	16,356.57 million as on March 31, 2020
3.	Total profit after taxes (INR)	1,125.07 million as on March 31, 2020
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company's total spending on CSR activities for the financial year ended March 31, 2020 is INR 10 million, i.e. 0.89% of Profit After Tax. You may refer to Annexure B of the Board's Report.
5.	List of activities in which the CSR expenditures have been incurred	You may refer to Annexure B of the Board's Report.

Section C: Other Details:

1.	Does the Company have any Subsidiary Company/ Companies?	No
2.	Do the Subsidiary Company/ Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company (s)	Not Applicable
3.	Do any other entity/ entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [<30%, 30-60%, >60%]	Several stakeholders engage with the Company in the course of its business such as suppliers, distributors, customers, government agencies, similar economic groups and other related entities. The Company promotes BR initiatives across its value chain. However, none of them directly participate in the BR initiatives of the Company.

Section D: BR Information

- Details of the Director/ Directors responsible for BR**
 - Details of the Director/ Directors responsible for implementation of the BR policy/ policies:**

Mr. Parag Chheda, Executive Director (DIN: 00013222) has been authorized by the Board of Directors as its meeting held on 31 July 2020, for overseeing implementation of the Company's Business Responsibility Policy along with the other executive and department heads of the Company.

(b) Details of the BR head

Sr. No.	Particulars	Details
1	DIN Number (if applicable)	00013206
2	Name	Mr. Jayant Chheda
3	Designation	Chairman and Managing Director
4	Telephone number	022 6602 2222
5	E-mail ID	investor@princepipes.com

2. Principle-wise (as per NVGs) BR policy/policies (Reply in Y/N):

Reference	Principle	Heading	Description
P1	Principle 1	Ethics, Transparency, Accountability	Business should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Principle 2	Product Lifecycle Sustainability	Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Principle 3	Employees' Well Being	Business should promote wellbeing of all employees
P4	Principle 4	Stakeholder Engagement	Business should respect the interests of and be responsive towards all stakeholders especially the disadvantaged, vulnerable and marginalised
P5	Principle 5	Human Rights	Business should respect and promote human rights
P6	Principle 6	Protection of The Environment	Business should respect, protect, and make efforts to restore the environment
P7	Principle 7	Responsible Principle Advocacy	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Principle 8	Support Inclusive Growth	Businesses should support inclusive growth and equitable development
P9	Principle 9	Providing Customer Value	Business should engage with and provide value to their customers and consumers in a responsible manner

a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for:	Y	Y	Y	Y	Y	Y	N	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
3.	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	NA	Y	Y
		<i>Refer Note 1</i>								
4.	Is the policy being approved by the Board? If yes, has it been signed by MD/ owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	NA	Y	Y
		<i>Policies have been approved by the Board or Senior Management of the Company at various dates and are reviewed annually or as and when required.</i>								

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	NA	Y	Y
6.	Indicate the link for the policy to be viewed online?	Y	Y	Y	Y	Y	Y	NA	Y	Y
<i>Refer Note 2</i>										
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
8.	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
<i>Refer Note 3</i>										
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	NA	Y	Y

Note 1: The Company's Policies are in consonance with the Companies Act, 2013 (the 'Act'), applicable SEBI regulations and other regulations/ guidelines prescribed by statutory and regulatory authorities.

Note 2: The following policies are available on <https://www.princepipes.com/policies/>

- Policy for Determining Material and Price Sensitive Information by Companies
- Vigil Mechanism Policy
- Dividend Distribution Policy
- Code of Practices and Procedure for Fair Disclosure
- Archival Policy
- Code of Conduct for Directors and Senior Management
- Corporate Social Responsibility Policy
- Environmental and Social Policy
- Insider Trading Policy
- Materiality Policy
- Policy on Related Party Transactions

In addition to the above, other internal policies of the Company such as Business Responsibility Policy, Integrated Management System Policy, Human Resources Manual covering internal code of conduct and business ethics, Prevention of Sexual Harassment Policy, Branding and Logo Manual/ Policy, etc. are available on the Company's internal portal and are shared with the relevant stakeholders as and when necessary.

Note 3: The Company has established grievance mechanisms for different stakeholders under relevant policies. In addition, grievance or feedback related to the policies can be sent to investor@princepipes.com. The Company also has a Stakeholders Relationship Committee to resolve any grievances of the stakeholders.

b) If answer to the question at serial number 1 against any principle, is "No", please explain why: (Tick up to 2 options) -

Sr. No.	Questions	Principle 7
1.	The company has not understood the Principles	-
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	In relation to Principle 7, the Company is a member of some trade organizations and participates in various trade seminars and exhibitions. We prefer to be a part of the broader policy development process and give our suggestions in a responsible manner. However, the Company does not feel a need of a formal policy at this stage and may consider adopting a policy for the same in future.

Sr. No.	Questions	Principle 7
3.	The company does not have the financial or manpower resources available for the task	-
4.	It is planned to be done within next 6 months	-
5.	It is planned to be done within next 1 year	-
6.	Any other reason (please specify)	

3. Governance related to BR:

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year.

Mr. Parag Chheda, Executive Director has been given the responsibility of implementation of the BR Policy under the guidance of Mr. Jayant Chheda, Chairman and Managing Director who has been designated as the BR Head. The Policy is appropriately communicated within the Company across all levels and is displayed on the Company's intranet.

Compliance with the BR Policy is monitored and evaluated by the BR Head and along with the core management team of the Company on a regular basis. The Company also proposes to get its BR performance assessed by the CSR Committee or the Stakeholders Relationship Committee as and when required.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This is the first year when the Company would be publishing its Business Responsibility Report. The same will be published by the Company annually along with its Annual Report on the website of the Company: <https://www.princepipes.com/>.

Section E: Principle-wise Performance

Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? (Yes/No). Does it extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/ Others?

The Company has various documents and policies covering issues such as ethics, bribery and corruption which

include the Vigil Mechanism Policy, Human Resources Manual covering internal code of conduct and business ethics, Prevention of Sexual Harassment Policy, Code of Conduct for Directors and Senior Management, etc. The Company ensures that the essence of all these policies is also extended to the external stakeholders of the Company including vendors, contractual resources, visitors through the course of business engagement.

The core values of business of the Company such as ethical standards, respect, transparency and commitment to quality are also stated in the Company's Human Resources Manual covering internal code of conduct and business ethics.

The Company conducts all its business activities in an honest and ethical manner and takes a zero-tolerance approach to bribery and corruption in all its business dealings and relationships.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactory resolved? If so, provide details thereof, in about 50 words or so.

The Company received 25 investor complaints during the year under review. All these complaints were duly resolved. During the year under review, no complaints relating to ethics, bribery and corruption were filed against the Company. The Company had not received any whistle blower complaints or complaints on sexual harassment under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, during the year.

Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

a. Vent Cowl PVC Jalli 110mm - SWR (Vent cowl integrated jalli)

This product has been developed as a plastic injection moulded vent cowl with inbuilt jalli (net). The vent cowl is used in houses and offices for ventilation purposes to allow foul gases generated in the system to escape. Vent cowls are also designed to fit the top of toilet vent pipes, to reduce pan syphoning.

This enables the effective discharge of polluted air outside the building. The inbuilt net prevents mosquitos from entering the house through wastewater line and relatedly prevents diseases like Malaria, Dengue, Chikungunya, etc. caused by Mosquito bites.

- b. Hands Free Sanitizing Unit (2 models - Eco Compact and Eco Heavy)

In wake of the outbreak of COVID-19 pandemic, hands free sanitizing unit has been developed by the Company. This product is used to dispense hand sanitizer/ hand wash by using one's foot, without touching the bottle/ unit in order to prevent the spread of Corona virus infection. We have also installed such sanitizing units at various government and other public service offices.

- c. Double Wall Corrugated ('DWC') pipes from 100mm to 1000mm

In line with demand for newer products for various applications, we have developed Double Walled Pipes using High Density Polyethylene. This pipe has been developed to replace the age-old Reinforced Concrete Cement pipes. DWC pipes are used in underground sewerage systems in municipalities and households. The internal surface helps in smooth flow of sewerage. Due to its flexibility, DWC pipes allow deformation in diameter as well as in joints under external load and soil's natural movement and hence operate years after years without affecting the environment unlike the concrete pipes which get easily damaged, leading to sewer water leaching in the ground and harming the environment. DWC pipes are environment safe and have a long service life, are easy to install and maintain, and hence are cost-effective and sustainable.

The Company is committed to offer quality standards for all range of products which are safe and environment friendly. The Company has well equipped test labs in all locations to verify the product quality on a regular basis to ensure that there is no deviation from standards. Some of the products are also tested in international labs to verify the values against declared standards. The Company ensures that all its products

meet hygiene, durability as per the application requirement and functional requirements. As a policy, the Company refrains from using any degraded/ post-consumer waste material for its products.

As a one of the leading plastic processor and producer of diversified finished products, the Company has entered into technical collaborations for its product line and has testing labs and quality facilities at its plants to regularly carry out different test work on products at various stages of production process to ensure that required standards and efficiencies are maintained.

The Company also encourages and conducts factory visits to inculcate complete knowledge on various products of the Company. At such visits, we showcase our product and hands on demo section including advance testing laboratories and classroom trainings for familiarizing with safety standards to the visiting farmers, customers, plumbers, architects, contractors, engineers etc. The Company imparts extensive trainings to the influencers viz. the plumbers, plumbing contractors, architects, engineers, consultants, farmers etc. Beside awareness on various products manufactured by the Company and its end applications, this educates people more about plastic piping products and its advantages over the conventional materials.

Our products incorporate social and environmental concerns. The Company has also introduced underground water storage tanks, double wall corrugated pipes for underground sewage and drainage which are the testimony of the Company's philosophy of providing safe and sustainable products throughout their life cycle.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

- a) **Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain?**

Our drive for continuous improvement and innovation has enabled us to reduce process waste, lower energy consumption, increase productivity and release new products, thereby achieving higher customer acceptance and satisfaction.

The Company uses state-of-the-art technology for machines and equipment used for production

which results in scrap percentage coming down. The Company extensively uses automation in all its plants. Water consumption requirements at various plants have reduced significantly due to reduction of water consumed in utilities by process improvements in cooling tower operations, re-use and recycle of wastewater back into the manufacturing process.

The Company is continuously making efforts to improve Energy Management by way of monitoring energy related parameters on a regular basis. The Company is committed to transform energy conservation into a strategic business goal fully along with the technological sustainable development of Energy Management System. It is our endeavor to reduce energy consumption in all its operations.

To achieve above objectives the following steps are taken/ being undertaken by the Company:

- Continuously monitoring the energy parameters and efficient utilization of energy tariff.
- Continuously replacing the inefficient equipment with latest energy efficient technology equipment and regular upgradation.
- Increasing awareness regarding energy saving within the organisation to avoid wastage of energy.
- Enhancing utilisation of renewable energy resources.
- Achieving power factor near to one in all plants by the effective reactive energy management.
- Reducing emission of Green House gases by improving energy efficiency at all plants.
- Conducting Power Quality Audits thrice a year (twice internally and once through TUV Rheinland, an independent accreditation body)
- Utilization of solar power at majority of the plants of the Company.
- Increasing use of wind energy.

All our plants, except Jaipur plant, are EnMS (ISO 50001) certified through TUV Rheinland. Energy reduction is our main Key Performance Indicator ('KPI') which is monitored on a monthly basis in all our plants.

We also monitor Water Utilization Ratio (WUR) in ltr/kg as a part of monthly KPIs in all our plants.

We have in place an Integrated Management System Policy through which we constantly strive to reduce energy loss by providing necessary resources to achieve the energy targets and usage of energy efficient products and equipment.

b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company makes every effort to create awareness among its consumers for efficient resource consumption.

The Company has created the below solutions for various industrial issues in the realm of environmental conservation, which ensure reduction in resource consumption and environment safety at consumption level as well:

- Chilling Plants
- Effluent Treatment Plants
- Water Supply
- Bore Well
- Rain Water Harvesting
- Sewage Management

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Our innovation and operations group are spearheading efforts to transition to renewable raw materials, low emission direct energy and improved water consumption for our processes by selection and introduction of energy-efficient state-of-the-art machines.

Vendors are onboarded based on the following criteria:

- Technical and financial capability which defines their ability to sustain and service us during all times
- Existing clientele from the industry and outside to ensure credibility

- Ethical business practices and socially responsible
- Product qualifying after thorough checks in the Company system to avoid problems during the production stage and quality of finished goods
- Pricing advantage

The above ensures that the Company is well serviced during all times in a sustainable manner.

More than 75% of the inputs, approximately, are sourced sustainably.

4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work?

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

We prefer locally available goods and services, other considerations being comparable. Company has taken several initiatives for the development of local and small suppliers of goods and services.

We have developed packing material and hardware/ spare items supplier locally, so as to ensure the development of surrounding communities.

We have a great focus on having a domestic supply base for all raw materials that go into production. We take the following actions for the same:

- As a policy we try to source our products from qualified suppliers who are closest to our plant locations.
- All such products which have a potential to be substituted are identified and efforts are put in to be developed locally.

The Company also supports vendors for improving their productivity and technical capability to reduce their operational costs. Further, we procure services like security, housekeeping, gardening, and such other services from the suppliers located near the factories of the Company. Major workforce of the Company is employed from the surroundings of the manufacturing units across all locations.

The Company also deals with Micro, Small, and Medium Enterprises. We ensure right quality production at suppliers' end as well to ensure the desired quality levels of the end

product, resulting into enhanced capability of supplier to produce right quality material for elevated volumes.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof.

Yes, the Company has in place a mechanism to recycle products and waste. Approximately 10% of the waste generated is recycled inhouse at all our manufacturing units.

The Company has in place instruction documents for each plant setting out the procedure for processing waste including grinding, segregation, reuse and treatment of non-usable wastage. The Company also submits necessary returns on hazardous and other wastes as prescribed by the State Pollution Control Boards/ Committees for each of its plants.

Principle 3 - Businesses should promote the well-being of all employees

- Total number of employees:** 1,784
- Total number of employees hired on temporary/ contractual/casual basis:** 1,124
- Number of permanent women employees:** 36
- Number of permanent employees with disabilities:** 2

5. Do you have an employee association that is recognized by management?

The Company has an agreement with a Trade Union for its plant located at Athal named "Union Territory Kamdar Sangha".

6. What percentage of your permanent employees is members of this recognized employee association?

205 employees out of 234 employed at the Athal plant are members of this union i.e. 87.60%. This forms 11.49% of the total permanent employees of the Company.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/ forced labour/ involuntary labour	0	0
2.	Sexual Harassment	0	0
3.	Discriminatory employment	0	0

8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?

Sr. No.	Category	Skill Up-gradation and Safety Training
1.	Permanent Employees	Skill up-gradation and safety trainings are imparted to all concerned employees/ workers, irrespective of their gender, type of employment or any other factors.
2.	Permanent Women Employees	
3.	Casual/ Temporary/ Contractual Employees	
4.	Employees with Disabilities	

As per the Environmental and Social Policy of the Company, it ensures that environmental sustainability is covered as part of relevant trainings, workshops and meetings to raise commitment of our employees, suppliers, business partners and the community at large.

The Company strives to create conducive and safe workplace conditions that help all employees. We focus on:

- Providing safe working conditions
- Maintaining workplace conditions that protect employee health
- Training and information dissemination periodically on all relevant aspects of Environment and Safety matters to the applicable stakeholders
- Ensuring that our labour practices are in compliance with applicable laws and regulations including the compliance with Indian Factories Act, 1948 related to employee working hours and wages

- Striving to incorporate best practices on labour management as prescribed by the International Labour Organisation
- Increasing female participation in our workforce, wherever possible
- Assessing all potential health and safety risks arising from work activities and taking appropriate measures to mitigate risks to health and safety

The following specific safety/ EHS and skill up-gradation trainings are given to the employees:

- Daily Tool Box Talk (TBT) on activity related topics
- First Aid training through St. John Ambulance, an organization which teaches and provides first aid and emergency medical services
- Behaviour Based Safety (BBS) training through outside expert faculties
- EHS awareness training for new employees
- HIRA (Hazard Identification and Risk Assessment) training
- Safety auditor training
- Practical training on how to operate the fire extinguishers, Fire hydrant, etc.
- Quarterly mock drills
- Environment day and safety week celebration in plants to improve awareness through slogan/ essay/ drawing competition and tree plantation.

Principle 4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

1. Has the Company mapped its internal and external stakeholders?

Yes. The Company has mapped its stakeholders and the same are classified as employees and workers, being the internal stakeholders and external stakeholders such as customers, builders, plumbers, dealers, distributors, MEP project consultants, farmers, house owners, brand owners, investors, service providers, government/ regulators, suppliers/ business partners, insurers, equipment provider and the wider community.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

Yes. Identification of disadvantaged, vulnerable and marginalised stakeholders is an on-going process.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

The Company undertakes various community development and engagement initiatives, details of which are given at point no. 1 of Principle 8 below.

Further, the Company's CSR activities also aim at, inter alia, healthcare and upliftment of poor sections of the Society. During the year under review, the Company has contributed its CSR spend to Pacific Medical University which provides affordable medical care and education in a friendly environment and in a spirit of compassion to all, regardless of race, caste, creed, sex, religion, etc.

Principle 5 - Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others?

The Company takes care that its transactions/ processes do not violate any human rights. We ensure that the dignity and rights of the employees, consumers, vendors and all concerned stakeholders are upheld. We also believe that training our workforce on their human rights as well establishing permissible codes of conduct when dealing with our stakeholders is crucial. The Company has in place policy on Prevention of Sexual Harassment at Workplace, Business Responsibility Policy, Environmental and Social Policy, Vigil Mechanism Policy, Integrated Management System Policy (Quality, Environment, Health, Safety and Energy), etc. based on global standards and local laws.

The Company does not employ or make use of child labour or forced labour of any kind.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

There were no cases of human rights violation for the year financial year ended March 31, 2020 in any of the operations.

Principle 6 - Businesses should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.

We ensure that the Health and Safety standards at all our units/ workplaces are as per the legislations. Our approach is reflected in our Environmental and Social Policy which places emphasis on the Company's continuous efforts to comply with applicable legal, environmental and our internal requirements where specific environmental legislation is non-existent or insufficient. As per the Policy, the Company incessantly strives at improving the environmental performance of its activities, products and services. This Policy is available on the website of the Company. An endeavour is made to apply this Policy in all the Company's dealings with stakeholders across the value chain including suppliers, contractors, etc. in due spirit.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Yes. The Company adheres to applicable IFC Performance Standards, and IFC/ World Bank EHS guidelines and standards in all its ventures in addition to complying with applicable local and national regulations/ laws and with International Labour Organisation's conventions which have been notified in India. The Company also strives to apply relevant international best management practices and/ or standards, with appropriate targets and timelines for achieving Environment and Safety improvement and performance.

Our manufacturing plants have attained ISO 14001 environment management system certification.

The environmental management system certification helps us to analyze and reduce environmental impact and standardize the process of being complaint to a range of legislative requirements. The certifications have provided us a framework which enable us to review our environmental performance and identify the sites outperforming others.

Few specific initiatives taken by the Company in this direction are

- No procurement of equipment with ODS (Ozone Depleting Substances) and phase out existing equipment with ODS

- Procuring green energy wherever feasible
- Installing solar panels in all plant roof tops
- Procuring IE3/ IE4 compliant energy efficient motors

During the last year, 7.81% of the total energy requirement of the Company was procured through renewable energy sources. The Company plans to increase the consumption of renewable sources of energy in the future.

3. Does the company identify and assess potential environmental risks? Y/N

Yes. The Company identifies and assesses potential environmental risks in pursuance of its Environmental and Social Policy. The Company specifically undertakes plant specific environmental risk assessment under ISO 14001 certification and takes prompt action wherever required. Checking air quality, emission levels and water quality on a regular basis also ensures that potential environmental risks are averted.

We also maintain an Environmental Risk and Opportunities Register in which the Company identifies and records various potential modes of failures such as oil spillage, water spillage, vehicles emitting more gas, emission of gases harmful to the ozone layer, use of lead-based chemicals, etc. These modes are then mapped against potential effects of failures, causes of such failures and control/ mitigation plans are developed accordingly.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, is any environmental compliance report filed?

The Company has not carried out any project related to Clean Development Mechanism and no environment compliance report was filed in this regard.

5. Has the Company undertaken any other initiatives on-clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.

Yes. Kindly refer to responses given for question no. 2 of principle 2 and principle 6.

6. Are the emissions/ waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes. The Company strictly follows all the rules and regulations related to treatment of emissions/ waste generated by the Company and undertakes tests on a regular basis to ensure emissions are maintained within the permissible limits given by CPCB/ SPCB/ other regulatory authorities.

7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.

The Company has not received any show cause/ legal notice from CPCB/ SPCB during the financial year ended March 31, 2020 and no such notices are pending satisfaction as on March 31, 2020.

Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with.

Yes. The Company is a member of the following trade organisations:

- OPPI: Organisation of Plastic Processors of India
- JITO: Jain International Trade Organisation

2. Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/ No. If yes specify the broad areas.

Yes. The Company responsibly uses the platform of various industry segment seminars and exhibitions to promote its products and solutions. We regularly participate in trade seminars and exhibitions such as JITO Trade Fair, VINYL India International PVC, Chlor Alkali Summit, KISAN Exhibition, Krishithon trade fair for farmers, Dahej Industrial Expo, Plastindia Foundation, Indian Plumbing Chapters, Ankleshwar Expo, CREDAI, Municipalika, Smart city infrastructure, Constro Exhibition, etc.

Additionally, the Company also encourages and conducts factory visits for influencers viz. the plumbers, plumbing contractors, architects, engineers, consultants, farmers etc. in order to inculcate complete knowledge on various products of the Company.

Principle 8 - Businesses should support inclusive growth and equitable development

1. Does the Company have specified programs/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof.

Yes. The Company has during the financial year ended March 31, 2020, made generous donations for various causes as given below:

- a. Bharat Ke Veer Fund: a fund-raising initiative by the Ministry of Home Affairs, Government of India on behalf of members of the Indian paramilitary Forces. Bharat Ke Veer corpus is managed by a committee made up of eminent persons of repute and senior government officials, in equal number, who would decide to disburse the fund equitably to the bravehearts family on need basis.
- b. Construction of Toilets for school at Dahanu.
- c. Distribution of sanitizing units across India - Sanifit.
- d. Organising blood donation camps.
- e. Various Local Trusts (Shree Kutchhi Bhanushali Seva Samaj Trust, Shree Bhojay Sarvodaya Trust, Arpan Thalassemia Society, Shri Bhujpur Panglapur and Adivashi Kanya Kelvani Trust) engaged in providing social help, educational and medical help to the needy community members in Mumbai, Gujarat, Kutch and whole India in general. These trusts work towards upliftment of the needy by providing housing, helping people in natural calamities, promoting cultural and sports activities and other such other charitable activities.

Summary of the CSR initiatives/ projects undertaken for financial year 2019-20 is enclosed as Annexure B to the Board's Report.

2. Are the programs/projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organization?

We implement our programmes through our Corporate Social Responsibility team in partnership with government and civil society organisations. We also actively encourage our own employees to contribute towards these social initiatives.

3. Have you done any impact assessment of your initiative?

The Company takes into consideration that the benefit is given to the intended ultimate beneficiaries of the society, while finalising any community development project. Impact assessment of such projects is done informally.

4. What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

Company's direct contribution to community development projects for financial year 2019-20 is INR 37.76 million. For details of the projects undertaken or initiatives taken in this regard, kindly refer to question no.1 under this principle.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

CSR activities of the Company were pursued in line with the Company's policy and framework.

Through effective stakeholder engagement, the Company ensures that its community development initiatives are sustainable in the long term. The Company closely monitors the spending of its contributions towards the intended social causes and the Company's Directors or senior officials pay regular visits at the projects sites where the Company has given contribution.

Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.

Less than 1% of the customer complaints received during the financial year were pending as on March 31, 2020.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./ Remarks (additional information)

The Company displays product information as mandated by Bureau of Indian Standards and all other applicable laws and standards.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No cases were filed against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behavior in the last five years and no such cases were pending as on the end of the financial year 2020.

On June 2, 2020, a case was filed against the Company by one of its competitors with respect to the Company's advertisement on zero defect manufacturing process claiming that the advertisement is misleading. This issue was earlier routed by the complainant through the Advertising Standards Council of India. As on date, this case is pending in the Hon'ble Bombay High Court. The Company believes that its advertisements/ commercials are not misleading or disparaging in any manner and that the allegation is of a malicious nature and not in the right spirit of competition.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

We conduct quarterly customer satisfaction survey online through IMON portal and take action for improvement. The survey is conducted on a rating system and covers indicators like satisfaction with product range, sales team, sales and

transport management, delivery management, quality of the fittings, settlement of queries, etc. Also, our plant heads and production/ quality assurance team visit customers to get real time feedback.

We periodically measure the satisfaction among its customers, understand their expectation and essentially to gauge our competitiveness in the industry. The Company also believes that feedback is a continuous process and to sustain in this evolving dynamic environment, continuous improvement is necessary.

**For and on behalf of Board of Directors of
Prince Pipes and Fittings Limited**

Jayant Chheda

Chairman & Managing Director
DIN: 00013206

Place: Mumbai

Date: July 31, 2020

INDEPENDENT AUDITORS' REPORT

To the Members of
Prince Pipes and Fittings Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Prince Pipes and Fittings 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 Cash Flow Statement for the year then ended, and notes to the Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and 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, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Ind AS 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters:

Key Audit Matters	How the matter was addressed in our audit
<p>Provision for Discount & Incentives</p> <ul style="list-style-type: none"> ▪ Revenue is measured net of discounts, incentives and rebates given to the customers on the Company's sales. ▪ The Company's presence across different marketing regions within the country and the competitive business environment makes the assessment of various type of discounts and incentives as complex and judgmental. ▪ Given the complexity and judgement required to assess the provision for discounts and incentives, this is a key audit matter. 	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> ▪ We have assessed the Company's accounting policies relating to revenue, discounts, incentives and rebates by comparing with applicable Ind AS. ▪ We have assessed the Company's computations for accrual of discounts, incentives and rebates. ▪ On a sample basis, checked the accruals made with the approved schemes and underlying documents. ▪ We have compared the historical trend of discounts and incentives to provisions made to assess the current year accruals.

Other Information

The Company's Management and Board of Director are responsible for the other information. The Other information comprises the information included in the company's annual report, but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our Opinion on the accompanying Ind AS 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 accompanying Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with accompanying Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information included in the Company's annual report, if we concluded that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Ind AS Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act. 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management and Board of Director are 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 Company's Management and Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as 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 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS Financial Statements.

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

1. Identify and assess the risks of material misstatement of the Ind AS 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.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Ind AS financial statements in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
4. Conclude on the appropriateness of Management and Board of Directors 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 Ind AS 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.

5. Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Ind AS 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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, 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), the Statement of Changes in Equity and Cash Flow Statement and dealt with by this Report are in agreement with the books of account,
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act,
 - 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, and
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B",
3. 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, in our opinion and to the best of our information and according to the explanations given to us:
 - a) The Company has disclosed the impact of pending litigations as at March 31, 2020 on its financial position in its Ind AS financial statements - Refer Note 50 to the Ind AS financial statements.
 - b) 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 Refer Note 46 to the Ind AS financial statements.
 - c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - d) The disclosure in the Ind AS financial statements regarding holdings and well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended March 31, 2020

4. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For Khimji Kunverji & Co LLP
(Formerly Khimji Kunverji & Co)
Chartered Accountants
(FRN: 105146W/W100621)

Kamlesh R. Jagetia
Partner
Membership No: (F-139585)
ICAI UDIN: 20139585AAAAAR6806

Place: Mumbai
Date: June 25, 2020

Annexure A to the Independent Auditors' Report – March 31, 2020

(Referred to in our report of even date)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner 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) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company, except for the following:
- The Company is owning Office Premises at "RUBY HOUSE", 4th Floor, 'B' Wing, Dadar (West), Mumbai having gross block of ₹ 41.62 million (Previous year ₹ 41.62 million) and net block of ₹ 38.24 million (Previous year ₹ 39.09 million) . In lieu of this, the Developer has offered alternate premises at 8th Floor, 'THE RUBY', Dadar (West), Mumbai. Though the Company has shifted its Office in new premises in May 2013, the agreement for the same with the Developer is pending for registration.
- ii. The inventory, except for goods-in-transit has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained and in respect of goods- in- transit, subsequent goods receipt have been verified. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under section 185 of the Act and the Company has complied with the provisions of Section 186 of the Act, with respect to the loans given, investments made, guarantees given and security provided.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year in terms of the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company as specified under Section 148(1) of the Act, for maintenance of cost records in respect of products manufactured by the Company, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods and service tax, Duty of Customs, Cess and other material statutory dues applicable.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods & Service Tax, Duty of Customs, Cess and other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, details of dues of Income-tax, Sales-tax, Service tax, Duty of Customs, Duty of Excise and Value added tax which have not been deposited as on March 31, 2020 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Forum where dispute is pending ^	Period to which amount relates	Amount (₹ in million)
Income tax Act, 1961	Addition to Income under Income Tax	Mumbai High Court	A.Y. 2001-02	4.44
			A.Y. 2004-05	2.29
			A.Y. 2006-07	1.80
			A.Y. 2007-08	3.34
			A.Y. 2010-11	3.15
		ITAT (Appeals), Mumbai	A.Y. 2005-06	2.00
			A.Y. 2012-13	0.00
			A.Y. 2013-14	0.09
		DCIT, Mumbai	A.Y. 2014-15	7.76
			A.Y. 2018-19	0.85
IT Officer (CPC)	A.Y. 2015-16	1.94		
Value Added Tax	Non submission of C-Form	Commissioner Appeal, DNH	A.Y.2014-15	7.88

^ Exclude matters in respect of which favorable order has been received at various appellate authorities.

- viii. According to the information and explanations given to us, and based on the records of the Company, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks, government and dues to debenture holders.
- ix. According to the information and explanation given to us by the management of the Company:
- the Company has utilized the money raised by way of initial public offer during the year for the purposes for which they were raised, except for the amount aggregating to ₹ 171 million, which was temporarily deposited in cash credit account from the period February 06, 2020 to March 15, 2020 and which were subsequently deposited in fixed deposit on March 16, 2020. Pending utilization of the balance fund, the Company has temporarily deposited the same in the fixed deposit as at March 31, 2020.
 - the monies raised by way of term loans were applied for the purpose for which they were raised. The Company did not raise money by way of further public offer.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable Ind AS.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made a preferential allotment of compulsorily convertible preference shares during the year and the requirements of Section 42 of the Act have been complied with. According to the information and explanations given to us and based on our examination of the records of the Company, the amount raised have been used for the purposes for which the funds were raised and in respect of the pending utilization of the balance fund, the Company has temporarily deposited the same in the fixed deposit as at March 31, 2020.

- 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 non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For Khimji Kunverji & Co LLP
(Formerly Khimji Kunverji & Co)
Chartered Accountants
(FRN: 105146W/W100621)

Kamlesh R. Jagetia
Partner
Membership No: (F-139585)
ICAI UDIN: 20139585AAAAAR6806

Place: Mumbai
Date: June 25, 2020

Annexure B to the Independent Auditors' Report of even date on the Ind AS financial statements for the year ended March 31, 2020

We have audited the internal financial controls with reference to Ind AS financial statements of the Prince Pipes and Fittings Limited ("the Company") as at March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management and Board of Directors are 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 Accountant of India ("ICAI"). 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 the 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 ("the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Ind AS financial Statements 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, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Ind AS financial statements. 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 with reference to Ind AS financial Statements were established and maintained and whether 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 with reference to Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of such internal financial controls, 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 Ind AS 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 with reference to Ind AS financial statements.

Meaning of Internal Financial Controls with reference to Ind AS financial statements

A Company's internal financial control with reference to Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Ind AS financial statements include those policies and procedures that:

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to Ind AS financial statements

Because of the inherent limitations of internal financial with reference to Ind AS financial statements, 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 with reference to Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to Ind AS financial statements 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, the Company has, in all material respects, an adequate internal financial controls with reference to Ind AS financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal financial controls with reference to Ind AS financial statements 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 ICAI

For Khimji Kunverji & Co LLP
(Formerly Khimji Kunverji & Co)
Chartered Accountants
(FRN: 105146W/W100621)

Kamlesh R. Jagetia
Partner
Membership No: (F-139585)
ICAI UDIN: 20139585AAAAAR6806

Place: Mumbai
Date: June 25, 2020

Balance Sheet

as at 31st March, 2020

₹ in million

Particulars	Note No	As at 31-03-2020	As at 31-03-2019
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	4,809.25	3,595.08
Capital Work in Progress	3	75.33	615.10
Right-of-Use Assets	3	46.45	-
Goodwill	3	2.96	2.96
Other Intangible Assets	3	27.16	35.55
Financial Assets			
Investments	4	6.29	7.77
Loans	5	103.12	74.22
Other Financial Assets	6	86.78	86.78
Other Non-Current Assets	7	497.34	582.19
Total Non-Current Assets		5,654.68	4,999.65
Current Assets			
Inventories	8	3,445.18	2,010.56
Financial Assets			
Trade Receivables	9	1,797.08	2,503.61
Cash and Cash Equivalents	10	0.57	88.90
Other Balances with Banks	11	2,569.67	134.25
Loans	5	10.60	2.33
Other Financial Assets	6	74.72	1.32
Current Tax Assets	12	-	2.18
Other Current Assets	7	549.62	595.91
		8,447.44	5,339.06
Assets classified as held for sale		-	-
Total Current Assets		8,447.44	5,339.06
Total Assets		14,102.12	10,338.71
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	13	1,100.26	900.16
Other Equity		7,276.50	3,088.97
Total Equity		8,376.76	3,989.13
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	14	394.59	1,057.69
Lease Liabilities	17	28.14	-

₹ in million

Particulars	Note No	As at 31-03-2020	As at 31-03-2019
Other Financial Liabilities	16	146.05	160.29
Provisions	18	112.63	78.16
Deferred Tax Liabilities (Net)	19	133.09	149.20
Total Non-Current Liabilities		814.50	1,445.34
Current Liabilities			
Financial Liabilities			
Borrowings	15	2,038.11	1,456.78
Lease Liabilities	17	15.82	-
Trade Payables			
- Outstanding to Micro, Small and Medium Enterprises	20	320.89	46.11
- Other than Micro, Small and Medium Enterprises	20	1,486.94	2,105.52
Other Financial Liabilities	16	889.86	1,114.69
Provisions	18	20.90	16.47
Current Tax Liabilities	21	50.71	-
Other Liabilities	22	87.63	164.67
Total Current Liabilities		4,910.86	4,904.24
Total Liabilities		5,725.36	6,349.58
Total Equity and Liabilities		14,102.12	10,338.71
Notes to the financial statements	1 & 2		

As per our attached report on even date

For Khimji Kunverji & Co LLP
(formerly Khimji Kunverji & Co)
Chartered Accountants
(FRN: 105146W/ W100621)

Jayant S. Chheda
Managing Director
(DIN No : 00013206)

Parag J. Chheda
Director
(DIN No : 00013222)

Kamlesh R. Jagetia
Partner
Membership No.(F-139585)

Shyam K. Sharda
Chief Financial Officer

Place : Mumbai
Date : 25.06.2020

Statement of Profit and Loss

For The Year Ended 31st March, 2020

₹ in million

Particulars	Note No	For year ended 31-03-2020	For year ended 31-03-2019
REVENUE			
Revenue from Operations	23	16,356.57	15,718.69
Other Income	24	69.44	71.26
Total Revenue		16,426.01	15,789.95
EXPENSES			
Cost of Materials Consumed	25	11,672.24	10,728.59
Purchase of Stock-in-Trade	26	484.88	340.84
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	27	(892.75)	204.18
Employee Benefit Expense	28	901.60	816.83
Finance Cost	29	331.70	363.04
Depreciation and Amortization Expenses	3	519.78	435.72
Other Expenses	30	1,902.82	1,787.64
Total Expenses		14,920.27	14,676.84
Profit before tax		1,505.74	1,113.11
Tax expense			
Current tax		401.42	272.33
Deferred tax		(13.45)	8.19
(Excess) / Short Provision for tax adjustments in respect of earlier years (Net)		(7.30)	11.27
Total Tax Expense		380.67	291.79
Profit for the year		1,125.07	821.32
Other Comprehensive Income			
Items that will not be reclassified to Profit or Loss		(11.19)	(2.39)
Income tax relating to items that will not be reclassified to profit or loss		2.65	0.74
Items that will be reclassified to Profit or Loss		2.04	0.61
Income tax relating to items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income		(6.50)	(1.04)
Total Comprehensive Income for the year		1,118.57	820.28
Earning per equity share in ₹ (Face Value per Share ₹ 10 each) (Not Annualised)	40		
Basic (in ₹)		11.77	9.12
Diluted (in ₹)		11.77	9.12
Notes to the financial statements	1 & 2		

As per our attached report on even date

For Khimji Kunverji & Co LLP
(formerly Khimji Kunverji & Co)
Chartered Accountants
(FRN: 105146W/ W100621)

Jayant S. Chheda
Managing Director
(DIN No : 00013206)

Parag J. Chheda
Director
(DIN No : 00013222)

Kamlesh R. Jagetia
Partner
Membership No.(F-139585)

Shyam K. Sharda
Chief Financial Officer

Place : Mumbai
Date : 25.06.2020

Cash Flow Statement

For The Year Ended 31st March, 2020

₹ in million

Particulars	Year Ended 31-03-2020	Year Ended 31-03-2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (Loss) Before Tax	1,505.74	1,113.11
Adjustments for:		
Depreciation and Amortisation Expenses	519.78	435.72
Provision for Gratuity and Leave Encashment	38.89	13.75
Interest paid	285.09	329.30
Provision for Doubtful Debts	16.96	4.93
Provision for Diminution in value of an asset	4.29	-
Bank Commission and Charges paid	45.19	30.99
Employee Stock Compensation for Option granted	6.02	9.41
Unrealised Foreign Exchange Difference	49.57	(33.00)
Mark to Market loss/ (gain) on Derivatives	(10.85)	6.03
Gain/Loss on fair valuation of Investments through Profit and loss	1.82	(0.69)
(Profit)/Loss on sale of Fixed Assets	13.52	(28.87)
Dividend Received	(0.09)	(0.05)
Operating Profit before Working Capital Changes	2,475.93	1,880.63
Adjustments for :		
Decrease/(Increase) in Inventories	(1,434.62)	404.61
Decrease/(Increase) in Trade Receivables	706.53	(109.68)
Decrease/(Increase) in Other financial/ Non financial Assets	(2,491.23)	(185.12)
Increase/(Decrease) in Trade & Other Payables	(431.46)	501.04
Cash Generated from Operations	(1,174.85)	2,491.48
Taxes paid (net)	(371.81)	(305.05)
Net Cash Flow from Operating Activities (A)	(1,546.66)	2,186.43
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(1,206.73)	(917.98)
Sale of Property, Plant and Equipment	19.05	84.38
Capital Advances Paid	81.40	(217.03)
Purchase of Non-Current Investment	(1.04)	-
Dividend Received	0.09	0.05
Net Cash Flow from Investing Activities (B)	(1,107.23)	(1,050.59)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term/Short Term Borrowings (Net)	(371.41)	(688.97)
Dividend paid	(110.02)	-
Principal payment of lease	(16.64)	-
Interest on lease payment	(2.75)	-
Issue of equity shares	200.10	-
Securities Premium on issue of shares	3,193.81	-
Bank Commission and Charges paid	(45.19)	(30.99)
Interest paid excluding lease	(282.34)	(329.30)
Net Cash Flow from Financing Activities (C)	2,565.56	(1,049.26)
D. Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(88.33)	86.59
Cash and Cash Equivalents at the beginning of the year	88.90	2.31
Cash and Cash Equivalents at the end of the year	0.57	88.90
Net Increase/(Decrease) in Cash & Cash Equivalents	(88.33)	86.59

Cash Flow Statement

For The Year Ended 31st March, 2020

Notes :

- The previous year's figures have been regrouped wherever necessary.
- The above Cash Flow Statement has been prepared under the "Indirect Method" set out in Indian Accounting Standard (Ind-AS) - 7 on Statement of Cash Flow.
- Cash and Cash equivalents comprises of on hand and with Banks.

Particulars	Year Ended 31-03-2020	Year Ended 31-03-2019
On hand	0.48	0.52
Balances held with Banks Accounts	0.09	88.38
Cash and Bank Balance as per Balance Sheet (Refer Note 10)	0.57	88.91

- Transactions not impacting cash flows in case of finance lease

Particulars	Year Ended 31-03-2020	Year Ended 31-03-2019
Depreciation on Right-of-Use-Assets	15.92	-
Interest expenses on lease liability	2.75	-
Total	18.67	-

- For current year, decrease/(increase) in Other financial/ Non financial Assets includes amount deposited with the banks, which will be utilised for specific purposes as mentioned in the offer document & not considered as part of cash and cash equivalents (Refer Note 44)

- Changes in liabilities arising from financing activity ₹ in million

Particular	As at 01-04-2019	Cash flows	Non-Cash changes (Foreign Exchange Fluctuations)	As at 31-03-2020
Non-Current Borrowing (including current maturity of non-current borrowings)	1,512.34	(961.85)	9.11	559.60
Current Borrowings	1,456.78	581.33	0	2,038.11
Total	2,969.12	(380.52)	9.11	2,597.71

As per our attached report on even date

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Partner
Membership No.(F-139585)

Shyam K. Sharda
Chief Financial Officer

Place : Mumbai
Date : 25.06.2020

Statement of Changes in Equity

For The Year Ended 31st March, 2020

Equity Share Capital

₹ in million

	As at 31-03-2020
Balance at the beginning of the year	900.16
Changes during the year (Refer note 13)	200.10
Balance at the end of the year	1,100.26

Other Equity

For the period ended 31st March, 2020

₹ in million

Particulars	Reserves and Surplus						Effective Portion of Cash Flow Hedging	FVOCI- Equity Instruments	Total
	Capital Reserve	Capital redemption Reserve	General Reserve	Securities Premium Account	Stock Option Outstanding	Retained Earnings			
Balance as at 1st April, 2019	48.37	30.00	-	-	16.58	2,999.57	(5.50)	(0.04)	3,088.97
Profit for the Year (1)	-	-	-	-	-	1,125.07	-	-	1,125.07
Premium on public issue of shares (Refer Note 44)	-	-	-	3,361.67	-	-	-	-	3,361.67
Share issue expenses (Refer Note 47)	-	-	-	(167.86)	-	-	-	-	(167.86)
Remeasurement of the net defined benefit liability/asset, net of tax effect (2)	-	-	-	-	-	(7.87)	-	(0.68)	(8.55)
Marked to Market of effective portion of cash flow hedging instruments (3)	-	-	-	-	-	-	2.04	-	2.04
Transitional reserves due to adjustment of IND AS 116 (Refer Note 41)	-	-	-	-	-	1.78	-	-	1.78
Equity instruments through other comprehensive income (4)	-	-	-	-	-	-	-	-	-
Total Comprehensive Income (1+ 2 + 3 + 4)	-	-	-	-	-	1,117.20	2.04	(0.68)	4,314.15
Transfer to General Reserves	-	-	-	-	-	(0.03)	-	0.03	-
Dividend Distribution and Tax thereon	-	-	-	-	-	(132.64)	-	-	(132.64)
Net Employee Stock Compensation for Option granted (Net of Deferred Employees Stock Option ₹ 22.46 million) (Refer Note 37)	-	-	-	-	7.63	-	-	-	7.63
Less : Options forfeited during the period	-	-	-	-	(1.61)	-	-	-	(1.61)
Balance at 31st March, 2020	48.37	30.00	-	3,193.81	22.59	3,985.87	(3.46)	(0.69)	7,276.50

Statement of Changes in Equity

For The Year Ended 31st March, 2020

For the year ended 31st March, 2019

₹ in million

Particulars	Reserves and Surplus						Effective Portion of Cash Flow Hedging	FVOCI-Equity Instruments	Total
	Capital Reserve	Capital redemption Reserve	General Reserve	Securities Premium Account	Stock Option Outstanding	Retained Earnings			
Balance as at 1 st April, 2018	48.37	30.00	-	-	7.17	2,179.62	(6.11)	0.24	2,259.29
Profit for the year (1)	-	-	-	-	-	821.32	-	-	821.32
Remeasurement of the net defined benefit liability/asset, net of tax effect (2)	-	-	-	-	-	(1.37)	-	-	(1.37)
Marked to Market of effective portion of cash flow hedging instruments (3)	-	-	-	-	-	-	0.61	-	0.61
Equity instruments through other comprehensive income (4)	-	-	-	-	-	-	-	(0.28)	(0.28)
Total Comprehensive Income (1+ 2 + 3 + 4)	-	-	-	-	-	819.95	0.61	(0.28)	820.28
Net Employee Stock Compensation for Option granted (Net of Deferred Employees Stock Option ₹ 20.02 million)	-	-	-	-	10.44	-	-	-	10.44
Less : Options forfeited during the period	-	-	-	-	(1.03)	-	-	-	(1.03)
Balance at 31st March, 2019	48.37	30.00	-	-	16.58	2,999.57	(5.50)	(0.04)	3,088.97

Notes: Nature and Purpose of Reserves

- Capital Reserve : The company has created capital reserves out of merger approval of Kenson Manufacture Pvt Ltd by the. Capital Reserves are mainly created during business combination for gain on bargain purchase on account of merger of Kenson Manufacture Private Limited in the year ended March 31, 2013.
- Capital Redemption Reserve : These reserves are created by way of buyback of shares by the Company in year ended March 31, 2017.
- General Reserves : General reserve is created by way of transfer of profits from retained earnings for appropriation purposes.
- Stock outstanding account: The Company has share option scheme under which option to subscribe for the Company's share have been granted to certain employees. These reserves is used to recognise the value of such equity settled share based payments.
- Effective portion of cash flow hedges: The Company has designated cross currency swap as cash flow hedge and any effective portion of cash flow hedge is maintained in the said reserve. In case hedging becomes ineffective the amount is recognised in statement of Profit and Loss.
- Securities Premium : These reserves are created by the company on premium arising out of public issue adjusted against all issue related expenses.
- Retained Earnings: These reserves are created by the company for net profits earned after reducing all appropriations and transfers.

As per our attached report on even date

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Partner
Membership No.(F-139585)

Shyam K. Sharda
Chief Financial Officer

Place : Mumbai
Date : 25.06.2020

Company Overview and Significant Accounting Policies

1. Company Overview:

Prince Pipes and Fittings Limited ("the Company") (formerly known as Prince Pipes and Fittings Private Limited) is a limited company domiciled in India and incorporated under the provision of the Companies Act, 1956. The Company was converted into public company with effect from 11 August 2017 and consequently the name of the Company has changed from Prince Pipes and Fittings Private Limited to Prince Pipes and Fittings Limited. The Company's operation comprises manufacturing and selling of plastic pipes and fittings. Pursuant to the Initial Public Offer, the equity shares of the Company have got listed on BSE limited and NSE limited on 30.12.2019.

2. Significant Accounting Policies:

(a) Statement of Compliance:

The financial statements of the Company are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, the relevant provisions of the Companies Act, 2013 ("the Act").

Except for the changes below, the Company has consistently applied accounting policies to all the periods.

- i) The Company has adopted IND AS 116 'Leases' with the date of initial application being April 1, 2019. IND AS 116 replaces IND AS 17 - Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases.

IND AS 116 requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Company has applied IND AS 116 using the modified retrospective approach under which the cumulative effect is recognised in retained earnings at April 1, 2019. As a result, the comparative information has not been restated.

The financial statements are authorized for issue by the Board of Directors of the Company at their meeting held on June 25, 2020.

(b) Basis of Preparation and Presentation:

Basis of Preparation:

The financial statements have been prepared on the historical cost basis except for following assets and liabilities:

- (i) Derivative Financial Instruments measured at fair value.
- (ii) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).
- (iii) Employee's Defined Benefit Plan as per actuarial valuation.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristic into account when pricing the asset or liability at the measurement date.

Functional and Presentation Currency:

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and currency of primary economic environment in which company operates.

Operating Cycle :

The Company has ascertained its operating cycle as twelve months for the purpose of Current / Non-Current classification of its Assets and Liabilities.

An asset is treated as current when it is:

- (i) Expected to be realized or intended to be sold or consumed in normal operating cycle;
- (ii) Held primarily for the purpose of trading, or
- (iii) Expected to be realized within twelve months after the reporting period, or
- (iv) 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:

- (i) It is expected to be settled in normal operating cycle;
- (ii) It is held primarily for the purpose of trading.
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

(c) Property, plant and equipment (PPE) :

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning. Subsequent expenditures related to an item of Property, plant and equipment are added to its book value only if they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

Expenditure/ Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets".

Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

If significant part of an item of PPE have different useful life, then they are accounted for as separate items of PPE.

(d) Depreciation:

Depreciable amount for PPE is the cost of an PPE less its estimated residual value. Depreciation on PPE are charged based on straight line method on an estimated useful life as prescribed in Schedule II to the Companies Act, 2013 or as per technical assessment.

Depreciation on items of property, plant and equipment acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.

In certain classes of PPE, the Company uses different useful lives than those prescribed in Schedule II to the Act. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the PPE on the management's estimation of obtaining economic benefits from those classes of assets.

I Assets where useful life is same as Schedule II :-

Assets	Useful Life as Prescribed by Schedule II to the Companies Act, 2013
Factory Building including Compounding Wall	30 years
Other Building	60 years
RCC Roads	10 years
Office Equipment	5 years
Vehicles - Two Wheeler	10 years
Vehicles - Four Wheeler	8 years
Furniture & Fixtures	10 years
Computer Hardware (Servers)	6 years
Computer Hardware (Others)	3 years

II Assets where useful life differ from Schedule II :-

Assets	Estimated Useful Life
Buildings (Temporary structures)	5 years
Plant & Machinery (including Double and Triple Shift)	7.5 years - 10 years
Plant & Machinery (Screw & Barrel)	3 years
Moulds & Dies	7.5 years
Electrical Installation	15 years
Stores & Spares in the nature of PPE	10 years

Residual value of Plant and Machinery is considered as 5% of the cost and for other assets as ₹100

(e) Intangible assets :**Intangible assets acquired separately**

Intangible assets that are acquired separately with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment, if any. The Company determines the amortisation period as the period over which the future economic benefits will flow to the Company after taking into account all relevant facts and circumstances. The estimated useful life and amortisation method are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level

Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are recognized in the statement of profit and loss when the asset is derecognized.

Internally generated Intangible assets (Research and Development expenditure)

Expenditure pertaining to research is expensed as incurred. Expenditure incurred on development is capitalised if such expenditure leads to creation of an asset, otherwise such expenditure is charged to the Statement of Profit and Loss.

Useful lives of intangible assets are as under:

Assets	Estimated Useful Life
Computer Software	6 years
Brands/Trademarks	10 years

(f) Impairment of Non-Financial Assets :

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also

allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(g) Non-current assets (or disposal groups) classified as held for disposal :

Non-current assets are classified as held for disposal if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Such assets are measured at lower of their carrying amount and fair value less costs to sell

To classify any asset as "Asset held for disposal" the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale is highly probable. Also, Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within a year from the date of classification. Once classified as held for disposal, intangible assets and PPE are no longer amortised or depreciated.

(h) Inventories :**Raw materials, fuel, stores & spare parts and packing materials:**

Valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Cost is determined on first-in-first-out (FIFO) basis. The cost of inventory comprises its purchase price, including non-refundable purchase taxes, and any directly attributable costs related to the inventories.

Work-in- progress (WIP), finished goods, stock-in-trade and trial run inventories:

Valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, direct labour, other direct costs and related production overheads upto the relevant stage of completion.

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.

(i) Employee Benefits :

Employee benefits include Gratuity, Provident Fund, Employee Family Pension, Employee State Insurance Scheme and Compensated Absences.

Defined benefit plans:

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income (OCI) in the period in which they occur. Re-measurement recognised in OCI is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- (i) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- (ii) net interest expense or income; and
- (iii) re-measurement

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

The defined benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Defined Contribution Plan:

The Company's contribution to Provident Fund and Pension Fund is considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees. Company has no further obligation beyond its contributions

Short-term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

Long-term employee benefits:

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long-term employee benefits. The company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Employee Share based payment:

Equity settled share based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity settled share based payments is amortised on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

(j) Borrowing costs :

Borrowing cost (General and Specific) includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily takes a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

(k) Foreign Currencies :

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transactions.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for, exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

(l) Revenue Recognition :

a Revenue from operations

Revenue is recognized on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of consideration received or receivable taking into account the amount of discounts, rebates, outgoing taxes on sales of goods or services.

Revenue is measured at the fair value of consideration received or receivable for the goods supplied and services rendered, net of returns, discounts and incentives to customers. Revenue excludes amount collected on behalf of third parties viz. Goods and Service Tax (GST).

Revenue from contract with customer are recognised when goods are dispatched and the control over the goods sold are transferred to customers.

Revenue from turnkey contracts having performance obligation to be fulfilled over the time are recognised measuring the progress towards complete satisfaction of that performance obligation. The Company measures the progress using the Output method.

Costs to fulfill a contract which is directly related to a contract or to an anticipated contract, generates or enhance resources of the Company that will be used in satisfying performance obligations in the future and expected to be recovered are recognised as an Asset

Variable consideration includes discounts and incentives provided to the customers. It is estimated at contract inception considering the terms of contract with customers and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.

Generally, the Company receives short-term advances from its customers. The Company does not expect to have any contracts where the period between the transfer of goods and payment by customer exceeds one year. Hence, the Company does not adjust revenue for the time value of money.

Other Income

- (i) Dividend Income is accounted for when the right to receive the income is established.
- (ii) Interest income is recognized on time proportion basis taking into account the amount outstanding on effective interest rate.
- (iii) Difference between the sale price and carrying value of investment is recognised as profit or loss on sale / redemption on investment on trade date of transaction.

(m) Government Grants

Government Grants, related to assets, are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises the related costs for which the grants are intended to compensate.

Government grants related to income are recognised in the Statement of Profit and Loss in the period in which they become receivable.

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

(n) Lease:

Ministry of Corporate Affairs (MCA) has vide notification dated March 30, 2019 has mandated applicability of Ind AS 116 (Leases) from April 1, 2019.

n.1 The Company as a Lessee:

The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 1, 2019.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the

initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The right-of-use asset is periodically reviewed for impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early

It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero."

n.2 Short-term leases and leases of low-value assets

The Company has chosen not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments

associated with these leases as an expense over the lease term.

n.3 Under Ind AS 17

In the comparative period, at the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Operating Lease:

Lease rentals are charged or recognised in the Statement of Profit and Loss on a straight-line basis over the lease term, except where the payment are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase.

Finance Lease:

Assets held under finance leases are recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's policy on borrowing costs.

(o) Income Taxes:

Tax expense represents the sum of the current tax and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the year. Current tax is measured at the amount expected to be paid to the tax authorities, based on estimated tax liability computed after taking credit for allowances and exemption in accordance with the local tax laws. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary

differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Statement Profit and Loss.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable.

(p) Earnings per share :

A basic earnings per share is computed by dividing the profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

(q) Provisions, Contingent Liabilities and Contingent Assets and Commitments :

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the

risks and uncertainties surrounding the obligations. When a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present obligations of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities and Contingent assets are not recognized in the financial statements.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised. A contingent asset is disclosed, in financial statements, where an inflow of economic benefits is probable.

(r) Financial Instruments:

Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

Initial Recognition

Financial assets and financial 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 and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- (i) the entity's business model for managing the financial assets and

- (ii) the contractual cash flow characteristics of the financial asset.

Amortised Cost

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- (i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (ii) 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.

In case of financial asset classified and measured at amortised cost, any interest income, foreign exchange gains/ losses and impairment are recognised in the Statement of Profit and Loss.

Fair Value through OCI

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- (i) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- (ii) 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.

Where the Company has elected to present the fair value gain on equity instruments in other comprehensive income, there is no subsequent classification of fair value gain or losses to profit and loss account. Dividend from such instruments is recognized in profit and loss account as other income where right to receive is established."

Fair Value through Profit or Loss

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. For financial assets at fair value through profit or loss, net gain or losses, including

any interest or dividend income are recognised in the Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Other Financial Liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method. Interest expense (based on effective interest method), foreign exchange gains and losses and any gain or loss on derecognition is recognised in the Statement of Profit and Loss.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of the asset or if, the Company has neither transferred nor retained substantially all risk and reward of the asset, but has transferred control of the asset to another party.

On derecognition of a financial asset, other than investments classified as FVOCI, in its entirety, the difference between the asset's carrying amount and the sum of the consideration

received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of equity investments classified as FVOCI, accumulated gains or loss recognised in OCI is transferred to retained earnings.

Financial liabilities and equity instruments:

(i) Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(ii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received.

(s) Cash and cash equivalents :

Cash and cash equivalents in the Balance Sheet comprise cash at bank, Cheques and Cash in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

(t) Derivative financial instruments :

The Company enters into derivative financial instruments viz. foreign exchange forward contracts and cross currency swaps to manage its exposure to interest rate, foreign exchange rate risks and commodity prices. The Company does not hold derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately excluding derivatives designated as cash flow hedge.

(u) Hedge accounting:

The Company designates certain hedging instruments in respect of foreign currency risk and interest rate risk price risk as cash flow hedges. At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

The effective portion of changes in the fair value of the designated portion of derivatives that qualify as cash flow hedges is recognised in other comprehensive income and accumulated under equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

Note 1(B): Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Useful lives of property, plant and equipment :

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

(ii) Defined benefit obligation :

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iii) Fair value measurement of Financial Instruments :

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

(iv) Income taxes :

Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining

the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

(v) Revenue from turnkey project :

During the year, the Company has recognised revenue and cost from this project. Due to the nature of the project, recognition of revenue and cost involves usage of percentage of completion method which is determined based on the progress towards complete satisfaction of that performance obligation, which involves significant judgments, identification of contractual obligations and the Company's rights to receive payments for performance completed till date.

(vi) Leases :

The Company considers all the extension-options under the commercial contract for determining the lease-term which forms the basis for the measurement of right-of-use asset and the corresponding lease-liability.

(vii) Share-based payments :

The Company measures the cost of equity-settled transactions with employees using Black-Scholes model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 37.

(viii) Discount, Incentives & Rebates :

Revenue is measured net of discounts, incentives, rebates etc. given to the customers on the Company's sales. The Company's presence across different marketing regions within the country and the competitive business environment makes the assessment of various type of discounts, incentives and rebates as complex and judgmental.

Notes to the Financial Statements

For The Year Ended 31st March, 2020

3. Property, Plant and Equipment

₹ in million

Sr. No.	Particulars	Gross Block (Cost / Deemed Cost)				Depreciation				Net Block
		Opening Balance as on 01-04-2019	Additions	Deletion/ Transfer/ Adjustment	Closing Balance as on 31-03-2020	Opening Balance as on 01-04-2019	Depreciation on Deletion/ Transfer/ Adjustment	Depreciation for the Year	Closing Balance as on 31-03-2020	As on 31-03-2020
A	Tangible Assets									
1	Freehold Land	578.32	180.35	-	758.67	-	-	-	-	758.67
2	Building	866.01	460.44	0.50	1,325.95	97.96	0.06	46.10	144.00	1,181.95
3	Plant & Machinery	2,160.11	774.85	53.76	2,881.20	631.42	19.09	294.46	906.79	1,974.41
4	Electrical Installation	112.52	83.88	1.30	195.10	21.47	0.37	11.31	32.41	162.69
5	Computer	24.38	9.64	0.45	33.57	13.03	0.45	4.79	17.37	16.20
6	Moulds & Dies	744.38	172.17	0.89	915.66	223.18	0.29	113.17	336.06	579.60
7	Office Equipments	21.38	20.90	0.21	42.07	11.12	0.17	5.01	15.96	26.11
8	Furniture & Fixtures	109.42	40.90	0.04	150.28	41.10	0.02	15.51	56.59	93.69
9	Vehicles	25.25	1.70	0.49	26.46	7.41	0.32	3.44	10.53	15.93
	Total	4,641.77	1,744.83	57.64	6,328.96	1,046.69	20.78	493.80	1,519.71	4,809.25
B	Capital Work in Progress									75.33
	Total Tangible Assets									4,884.58
C	Right-of-Use Assets (Refer Note 41)	62.37	-	-	62.37	-	-	15.92	15.92	46.45
	Total	62.37	-	-	62.37	-	-	15.92	15.92	46.45
D	Goodwill	2.96	-	-	2.96	-	-	-	-	2.96
	Total	2.96	-	-	2.96	-	-	-	-	2.96
E	Other Intangible Assets									
1	Computer Software	35.92	1.68	-	37.60	14.77	-	6.02	20.79	16.81
2	Brands/Trademark	26.52	-	-	26.52	12.13	-	4.04	16.17	10.35
	Total	62.44	1.68	-	64.12	26.90	-	10.06	36.96	27.16
	Total Assets (A+B+C+D+E)	4,769.54	1,746.51	57.64	6,458.41	1,073.59	20.78	519.78	1,572.59	4,961.15

Notes :

- The Company is owning Office Premises at "RUBY HOUSE", 4th Floor, 'B' Wing, Dadar (West), Mumbai having gross block of ₹ 41.62 million (Previous year ₹ 41.62 million) and net block of ₹ 38.24 million (Previous year ₹ 39.09 million). In lieu of this, the Developer has offered alternate premises at 8th Floor, 'THE RUBY', Dadar (West), Mumbai. Though the Company has shifted its Office in new premises in May 2013, the agreement for the same with the Developer is pending for registration.
- Rupee Term Loans are secured by fixed assets against which Loans have been taken (Refer Note 14 and 15).
- The Company has accounted for impairment in value of an asset aggregating to ₹ 4.29 million.
- The amount of expenditures recognised in the carrying amount of an item of property, plant and equipment in the course of its construction;-

Notes to the Financial Statements

For The Year Ended 31st March, 2020

₹ in million

Particulars	As on March 31, 2020	As on March 31, 2019
Finance cost	51.50	32.43
Legal & Professional charges	56.89	33.75
Salary and wages	17.10	12.97
Miscellaneous Expenses	6.14	2.52
Land Under Development	14.38	12.87
Material consumed	0.23	0.23
Total	146.24	94.77
Less: Capitalised during the year	135.55	-
Balance disclosed in Capital Work in Progress	10.69	94.77

₹ in million

Sr. No.	Particulars	Gross Block (Cost / Deemed Cost)				Depreciation				Net Block
		Opening Balance as on 01-04-2018	Additions	Deletion/ Transfer/ Adjustment	Closing Balance as on 31-03-2019	Opening Balance as on 01-04-2018	Depreciation on Deletion/ Transfer/ Adjustment	Depreciation for the Year	Closing Balance as on 31-03-2019	As on 31-03-2019
A	Tangible Assets									
1	Freehold Land	556.58	21.74	-	578.32	-	-	-	-	578.32
2	Building	835.42	56.09	25.50	866.01	62.46	1.06	36.56	97.96	768.05
3	Plant & Machinery	1,762.70	433.69	36.28	2,160.11	391.45	17.16	257.13	631.42	1,528.69
4	Electrical Installation	99.93	12.62	0.03	112.52	12.97	0.01	8.51	21.47	91.05
5	Computer	23.10	1.91	0.63	24.38	9.02	0.56	4.57	13.03	11.35
6	Moulds & Dies	550.52	207.37	13.51	744.38	131.66	5.79	97.31	223.18	521.20
7	Office Equipments	18.67	2.82	0.11	21.38	7.37	0.11	3.86	11.12	10.26
8	Furniture & Fixtures	98.41	15.00	3.99	109.42	27.03	0.13	14.20	41.10	68.32
9	Vehicles	26.32	1.28	2.35	25.25	5.91	2.07	3.57	7.41	17.84
	Total	3,971.65	752.52	82.40	4,641.77	647.87	26.89	425.71	1,046.69	3,595.08
B	Capital Work in Progress									615.10
	Total Tangible Assets									4,210.18
C	Goodwill	2.96	-	-	2.96	-	-	-	-	2.96
	Total	2.96	-	-	2.96	-	-	-	-	2.96
D	Other Intangible Assets									
1	Computer Software	31.88	4.04	-	35.92	8.80	-	5.97	14.77	21.16
2	Brands/Trademark	26.52	-	-	26.52	8.09	-	4.04	12.13	14.39
	Total	58.40	4.04	-	62.44	16.89	-	10.01	26.90	35.55
	Total Assets (A+B+C+D)	4,033.01	756.56	82.40	4,707.17	664.76	26.89	435.72	1,073.59	4,248.69

Notes to the Financial Statements

For The Year Ended 31st March, 2020

4. Investments

₹ in million

Particulars	As at 31-03-2020	As at 31-03-2019
Non-Current Investments		
Quoted Investments Fair Value through profit or loss		
7,750 Equity shares of ₹ 2 each fully paid-up in Adani Ports & Special Eco Zone Ltd (As at 31.03.19 - 7,750 shares)	1.95	2.93
3,200 Equity shares of ₹ 2 each fully paid-up in Navneet Education Ltd (As at 31.03.19 - 3,200 shares)	0.20	0.35
777 Equity shares of ₹ 2 each fully paid-up in Supreme Industries Ltd (As at 31.03.19 - 777 shares)	0.67	0.87
1,000 Equity shares of ₹ 10 each fully paid-up in Kisan Mouldings Ltd (As at 31.03.19 - 1,000 shares)	0.01	0.05
1,250 Equity shares of ₹ 1 each fully paid-up in Astral Polytechnik Ltd (As at 31.03.19 - 1,000 shares)	1.16	1.16
1,400 Equity shares of ₹ 5 each fully paid-up in Reliance Industries Ltd (As at 31.03.19 - 1,400 shares)	1.56	1.91
1,000 Equity shares of ₹ 10 each fully paid-up in Finolex Industries Ltd (As at 31.03.19 - 1,000 shares)	0.39	0.50
Unquoted Investments Fair Value through OCI		
41,500 Equity shares of Ramkrishna FinCap Ltd* (As at 31.03.19 - 41,500 shares)	-	-
1,85,000 Equity shares of Sibar Media & Entertainment Ltd* (As at 31.03.19 - 1,85,000 shares)	-	-
1,04,000 Equity shares of WATSUN Infrabuild Pvt Ltd (As at 31.03.19 - NIL shares)	0.36	-
NIL Equity shares of Pinnacle Realty Projects Pvt Ltd* (As at 31.03.19 - 600 shares)	-	-
Total	6.29	7.77
Aggregate Market Value of Quoted investments	5.93	7.77
Aggregate Book Value of Quoted investments	5.93	7.77
Aggregate Book Value of Unquoted investments	0.36	-

* Fully impaired

5. Loans

₹ in million

Particulars	As at 31-03-2020	As at 31-03-2019
Non-Current (Unsecured, considered good)		
Security Deposits	103.12	74.22
Total	103.12	74.22
Current (Unsecured, considered good)		
Security Deposits	8.67	-
Loans to Employees	1.93	2.33
Total	10.60	2.33

6. Other Financial Assets

₹ in million

Particulars	As at 31-03-2020	As at 31-03-2019
Non - Current Financial Assets		
Subsidy receivable	86.78	86.78
Total	86.78	86.78
Current Financial Assets		
Interest Accrued on Deposits	24.53	0.85
Derivative Assets	22.46	0.47
Share Issue Expenses Receivables (Refer Note 36)	27.73	-
Total	74.72	1.32

Notes to the Financial Statements

For The Year Ended 31st March, 2020

7. Other Assets

₹ in million

Particulars	As at 31-03-2020	As at 31-03-2019
Other Non-Current Assets (Unsecured, considered good)		
Capital Advances	495.49	576.89
Prepaid Expenses	1.63	5.08
Balance with government and other authorities	0.22	0.22
Total	497.34	582.19
Other Current Assets (Unsecured, considered good)		
Prepaid Expenses	22.96	26.04
Advances to Suppliers	41.45	115.30
Balances with Government Authorities	438.47	291.27
Share Issue Expenses (Refer note 47)	-	99.22
Contract Asset	13.57	-
Other Receivables (includes advance for expenses, insurance claim and other receivables)	33.17	64.08
Total	549.62	595.91

8. Inventories

(Valued at lower of cost or NRV unless otherwise stated)

₹ in million

Particulars	As at 31-03-2020	As at 31-03-2019
Raw Materials (includes in transit ₹ 179.19 million as on Mar 31, 2020, ₹ 230.26 million as on March 31, 2019)	1,604.25	1,065.51
Work in Progress	48.16	32.09
Finished Goods	1,569.21	792.45
Trading Goods	199.40	99.48
Stores & Spares (at cost)	24.16	21.03
Total	3,445.18	2,010.56

The Company follows a suitable provisioning norms for writing down the value of Inventories towards slow moving, non-moving and surplus inventory.

9. Trade Receivables

₹ in million

Particulars	As at 31-03-2020	As at 31-03-2019
Unsecured, considered good	1,797.08	2,503.61
Unsecured, considered doubtful	53.82	42.21
Less : Allowances for credit losses	(53.82)	(42.21)
Total	1,797.08	2,503.61

10. Cash and Cash Equivalents

₹ in million

Particulars	As at 31-03-2020	As at 31-03-2019
Balances with Banks	0.09	88.38
Cash on Hand	0.48	0.52
Total	0.57	88.90

11. Bank Balances other than Cash and Cash Equivalents

₹ in million

Particulars	As at 31-03-2020	As at 31-03-2019
Balances with Banks in margin money deposit accounts*	121.43	134.25
Balances with Banks in deposit accounts# (Refer Note 44)	2,448.24	-
Total	2,569.67	134.25

*Held as margin money in favour of various Government authorities/banks

#Earmarked for specific purpose

12. Current Tax Assets

₹ in million

Particulars	As at 31-03-2020	As at 31-03-2019
Advance Income Tax (Net of Provision for Tax ₹ 919.16 million as at 31.03.19)	-	2.18
Total	-	2.18

Notes to the Financial Statements

For The Year Ended 31st March, 2020

13. Equity Share Capital

₹ in million

Particulars	As at 31-03-2020	As at 31-03-2019
Authorised		
15,00,00,000 Equity Shares of ₹ 10 each (As at 31.03.2019 - 15,00,00,000 shares)	1,500.00	1,500.00
Total	1,500.00	1,500.00
Issued, Subscribed and Paid up		
11,00,25,759 Equity Shares of ₹ 10 each, fully paid up (Refer Note 44) (As at 31.03.2019 - 9,00,15,816 shares)	1,100.26	900.16
Total	1,100.26	900.16
a. Reconciliation of the number of Equity shares		
Balance at the beginning of the year	9,00,15,816	9,00,15,816
Add : Fresh issue	2,00,09,943	-
Balance as at the end of the year	11,00,25,759	9,00,15,816
b. Reconciliation of the amount of share capital outstanding		
Balance at the beginning of the year	900.16	900.16
Add : Fresh issue (Refer Note 44)	200.10	-
Balance as at the end of the year	1,100.26	900.16

c. Aggregate number of bonus shares, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

Equity Shares	Number of shares (in million)	Number of shares (in million)
Allotted as fully paid up bonus shares	69.01	69.01
Allotted as fully paid up pursuant to contracts for consideration other than cash	0.00	0.00
Bought back by the company	3.00	3.00
d. Details of Equity Shareholders holding more than 5% shares in the company		
Mr. Jayant Shamji Chheda		
No of shares (in million)	6.56	7.68
% of shares held	5.96	8.53
Mrs. Tarla Jayant Chheda		
No of shares (in million)	17.39	24.78
% of shares held	15.80	27.53
Mr. Parag Jayant Chheda		
No of shares (in million)	21.58	25.80
% of shares held	19.62	28.66
Mr. Vipul Jayant Chheda		
No of shares (in million)	22.15	25.80
% of shares held	20.13	28.66
South Asia Growth Fund Ii Holdings, Llc		

Notes to the Financial Statements

For The Year Ended 31st March, 2020

Equity Shares	Number of shares (in million)	Number of shares (in million)
No of shares (in million)	5.93	-
% of shares held	5.39	-
Oman India Joint Investment Fund Limited		
No of shares (in million)	5.62	-
% of shares held	5.11	-

e. Equity shares reserved for issue under ESOS - Refer Note 37

f. Terms and rights attached to equity shares

The company has only one class of equity shares having a face value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. In case of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

14. LONG TERM BORROWINGS

₹ in million

Particulars	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
	Non Current		Current Maturities*	
SECURED				
a) RUPEE TERM LOAN FROM BANKS				
1 Term loan from Bank of India	-	37.50	-	30.00
(Repayable in 28 equal quarterly installments, last installment falling due on 29-06-2021, now fully repaid)				
2 Term loan from ICICI Bank Ltd.	-	12.96	-	22.22
(Repayable in 54 equal monthly installments, last installment falling due on 22-10-2020, now fully repaid)				
3 Term loan from ICICI Bank Ltd.	-	71.67	-	20.00
(Repayable in 90 equal monthly installments, last installment falling due on 25-10-2023, now fully repaid)				
4 Term loan from IDFC Bank Ltd	-	317.52	-	97.70
(Repayable in 20 equal quarterly installments, last installment falling due on 30-06-2023, now fully repaid)				
5 Term loan from Federal Bank Ltd	-	15.00	-	100.00
(Repayable in 9 equal quarterly installments, last installment falling due on 16-04-2020, now fully repaid)				

Notes to the Financial Statements

For The Year Ended 31st March, 2020

₹ in million

Particulars	As at	As at	As at	As at
	31-03-2020	31-03-2019	31-03-2020	31-03-2019
	Non Current		Current Maturities*	
6 Term loan from Federal Bank Ltd	-	51.79	-	8.33
(Repayable in 8 equal quarterly installments, last installment falling due on 06-11-2021, now fully repaid).				
7 Term loan from Federal Bank Ltd	225.00	275.00	50.00	50.00
(Repayable in 28 equal quarterly installments, last installment falling due on 15-09-2025)				
8 Term loan from Indusind Bank Ltd	120.00	144.61	30.00	45.45
(Repayable in 22 equal quarterly installments, last installment falling due on 12-03-2025)				
Sub Total (A)	345.00	926.05	80.00	373.70
Effective cost for the above loans outstanding are in the range of 8.95% -9.30% per annum (Previous year 10.05% -11.40% per annum)				
b) FOREIGN CURRENCY TERM LOAN FROM BANKS				
9 ECB from Standard Chartered Bank.	49.59	123.18	85.01	77.80
(Repayable in 16 equal quarterly installments, last installment falling due on 28-12-2021)				
Sub Total (B)	49.59	123.18	85.01	77.80
Effective cost for the above loans outstanding are in the range of 4%-5% per annum without considering hedging cost (Previous year 4% -5% per annum).				
c) VEHICLE LOANS				
10 Vehicle Loan from Axis Bank Ltd.	-	1.15	-	0.56
(Repayable on monthly basis. Repayable by February 2022, now fully repaid)				
11 Vehicle Loan from Axis Bank Ltd	-	1.70	-	0.66
(Repayable on monthly basis. Repayable by June 2022, now fully repaid)				
12 Vehicle Loan from Axis Bank Ltd	-	0.41	-	0.14
(Repayable on monthly basis. Repayable by October 2022, now fully repaid)				
13 Vehicle Loan from Axis Bank Ltd	-	1.15	-	0.40
(Repayable on monthly basis. Repayable by September 2022, now fully repaid)				
14 Vehicle Loan from Axis Bank Ltd	-	3.32	-	1.04
(Repayable on monthly basis. Repayable by December 2022, now fully repaid)				

Notes to the Financial Statements

For The Year Ended 31st March, 2020

₹ in million

Particulars	As at 31-03-2020	As at 31-03-2019	As at 31-03-2020	As at 31-03-2019
	Non Current		Current Maturities*	
15 Vehicle Loan from ICICI Bank Ltd.	-	0.36	-	0.17
(Repayable on monthly basis. Repayable by January 2022, now fully repaid)				
16 Vehicle Loan from ICICI Bank Ltd.	-	0.37	-	0.18
(Repayable on monthly basis. Repayable by January 2022, now fully repaid)				
Sub Total (C)	-	8.46	-	3.15
Effective cost for the above loans are in the range of 8.26-9.25% per annum (Previous year 8.26%-9.25% per annum).				
Total (A+B+C)	394.59	1,057.69	165.01	454.65

* Amounts disclosed under the head 'Other Financial Liabilities'

Details of Security:

1 Loans covered under S.No.1 to 9 above:

Secured by first pari passu charge over the Company's present and future Fixed Assets (movable & immovable) located at Athal Plant, Dadra Plant, Haridwar Plant, Chennai Plant Kolhapur Plant & Jaipur Plant and company's office premises at Ruby House, 4th Floor, Dadar. Second pari passu charge on Company's present & future Current Assets and by Personal Guarantees of three Directors of the company viz. Mr. Jayant S. Chheda, Mr. Parag J. Chheda and Mr. Vipul J. Chheda.

2 Loans covered under S. No 10 to 16 above :

Security is the Hypothecation of the specific asset financed by them.

15. Borrowings - Current

₹ in million

Particulars	As at 31-03-2020	As at 31-03-2019
Secured		
Working Capital/Demand Loans From Banks	1,605.30	1,209.77
Unsecured		
Short Term Loans	432.81	247.01
Total	2,038.11	1,456.78

Note:

- Working Capital/Demand Loans from Bank of India ₹ 31.80 million (₹ 33.81 million as on 31.03.19) are secured by first pari passu Charge on present & future Current Assets of the company and Second Pari passu Charge on company's present & future Fixed Assets(Movable and Immovable) situated at our Plants at Athal, Dadra, Haridwar, Chennai, Kolhapur, Jaipur and at the office premises at 4th Floor, Ruby House, Mumbai and by Personal Guarantees of three Directors of the company viz. Mr. Jayant S. Chheda, Mr. Parag J. Chheda and Mr. Vipul J. Chheda.
- Working Capital/Demand Loans from ICICI Bank Ltd ₹ 113.59 million (₹ 78.00 million as on 31.03.19) are secured by first pari passu Charge on present & future Current Assets of the company and Second Pari passu Charge on company's present & future Fixed Assets(Movable and Immovable) situated at our Plants at Athal, Dadra, Haridwar, Chennai, Kolhapur, Jaipur and at the office premises at 4th Floor, Ruby House, Mumbai and by Personal Guarantees of three Directors of the company viz. Mr. Jayant S. Chheda, Mr. Parag J. Chheda and Mr. Vipul J. Chheda.
- Working Capital/Demand Loans from Standard Chartered Bank ₹ 496.90 million (₹ 400.00 million as on 31.03.19) are secured by first pari passu Charge on present & future Current Assets of the company and Second Pari passu Charge on company's present & future Fixed Assets(Movable and Immovable) situated at our Plants at Athal, Dadra, Haridwar, Chennai, Kolhapur, Jaipur and at the office premises at 4th

Notes to the Financial Statements

For The Year Ended 31st March, 2020

Floor, Ruby House, Mumbai and by Personal Guarantees of three Directors of the company viz. Mr. Jayant S. Chheda, Mr. Parag J. Chheda and Mr. Vipul J. Chheda.

- 4) Working Capital/Demand Loans from Federal Bank ₹ 318.12 million (₹ 267.31 million as on 31.03.19) are secured by first pari passu Charge on present & future Current Assets of the company and Second Pari passu Charge on company's present & future Fixed Assets(Movable and Immovable) situated at our Plants at Athal, Dadra, Haridwar, Chennai, Kolhapur, Jaipur and at the office premises at 4th Floor, Ruby House, Mumbai and by Personal Guarantees of three Directors of the company viz. Mr. Jayant S. Chheda, Mr. Parag J. Chheda and Mr. Vipul J. Chheda.
- 5) Working Capital/Demand Loans from Yes Bank ₹ 31.23 million (₹ 30.00 million as on 31.03.19) are secured by first pari passu Charge on present & future Current Assets of the company and Second Pari passu Charge on company's present & future Fixed Assets(Movable and Immovable) situated at our Plants at Athal, Dadra, Haridwar, Chennai, Kolhapur, Jaipur and at the office premises at 4th Floor, Ruby House, Mumbai and by Personal Guarantees of three Directors of the company viz. Mr. Jayant S. Chheda, Mr. Parag J. Chheda and Mr. Vipul J. Chheda.
- 6) Working Capital/Demand Loans from DBS Bank ₹ 313.53 million (₹ 400.65 million as on 31.03.19) are secured by first pari passu Charge on present & future Current Assets of the company and Second Pari passu Charge on company's present & future Fixed Assets(Movable and Immovable) situated at our Plants at Athal, Dadra, Haridwar, Chennai, Kolhapur, Jaipur and at the office premises at 4th Floor, Ruby House, Mumbai and by Personal Guarantees of three Directors of the company viz. Mr. Jayant S. Chheda, Mr. Parag J. Chheda and Mr. Vipul J. Chheda.
- 7) Working Capital/Demand Loans from IDFC Bank ₹ 250.13 million (₹ NIL million as on 31.03.19) are secured by first pari passu Charge on present & future Current Assets of the company and Second Pari passu Charge on company's present & future Fixed Assets(Movable and Immovable) situated at our Plants at Athal, Dadra, Haridwar, Chennai, Kolhapur, Jaipur and at the office premises at 4th Floor, Ruby House, Mumbai and by Personal Guarantees of three Directors of the company viz. Mr. Jayant S. Chheda, Mr. Parag J. Chheda and Mr. Vipul J. Chheda.
- 8) Working Capital/Demand Loans from IndusInd Bank ₹ 50.00 million (₹ NIL million as on 31.03.19) are secured by first pari passu Charge on present & future Current Assets of the company and Second Pari passu Charge on company's present & future Fixed Assets(Movable and

Immovable) situated at our Plants at Athal, Dadra, Haridwar, Chennai, Kolhapur, Jaipur and at the office premises at 4th Floor, Ruby House, Mumbai and by Personal Guarantees of three Directors of the company viz. Mr. Jayant S. Chheda, Mr. Parag J. Chheda and Mr. Vipul J. Chheda.

16. Other Financial Liabilities

₹ in million

Particulars	As at 31-03-2020	As at 31-03-2019
Non-Current Financial Liabilities		
Security Deposits	146.05	160.29
Total	146.05	160.29
Current Financial Liabilities		
Current Maturities of Long Term Debt		
Rupee Loans From Banks	80.00	373.70
Foreign Currency Loans From Banks	85.01	77.80
Rupee Loans From Others	-	3.15
Interest Accrued but not due on Borrowings	11.38	1.33
Interest payable to MSMED (Refer Note 42)	2.15	0.07
Creditors for Capital Goods	105.67	63.43
Employee Related Liabilities	114.63	119.76
Derivative Liability	-	5.50
Other Current Liabilities	491.02	469.95
Total	889.86	1,114.69

17. Leases

₹ in million

Particulars	As at 31-03-2020	As at 31-03-2019
Non-Current		
Lease Liabilities (Refer Note 41)	28.14	-
Total	28.14	-
Current		
Lease Liabilities (Refer Note 41)	15.82	-
Total	15.82	-

Notes to the Financial Statements

For The Year Ended 31st March, 2020

18. Provisions

₹ in million

Particulars	As at 31-03-2020	As at 31-03-2019
Non-Current		
Provision for Employee Benefits	112.63	78.16
Total	112.63	78.16
Current		
Provision for Employee Benefits	20.90	16.47
Total	20.90	16.47

19. Deferred Tax Liabilities (Net)

₹ in million

Particulars	As at 31-03-2020	As at 31-03-2019
Deferred Tax Liabilities / (assets) attributed to:		
Property, Plant and Equipments	181.17	195.32
Others (Primarily include financial assets, employee benefit and expense disallowances)	(48.08)	(46.12)
Total	133.09	149.20

20. Trade Payables

₹ in million

Particulars	As at 31-03-2020	As at 31-03-2019
Outstanding to Micro, Small and Medium Enterprises	320.89	46.11
Trade Payables - Other than Micro, Small and Medium Enterprises	1,486.94	2,105.52
Total	1,807.83	2,151.63

Note: Information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by auditors.

21. Current Tax Liabilities

₹ in million

Particulars	As at 31-03-2020	As at 31-03-2019
Provision for Income Tax (Net of Advance Tax ₹ 1,032.76 million as at 31.03.20)	27.42	-
Provision for Dividend Tax Payable (Refer Note No 48)	23.29	-
Total	50.71	-

22. Other Current Liabilities

₹ in million

Particulars	As at 31-03-2020	As at 31-03-2019
Statutory Dues	39.63	148.39
Advances received from Customers	48.00	16.29
Total	87.63	164.67

23. Revenue from Operations

₹ in million

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Revenue from Contract with Customers (Refer Note 45)		
Sale of Products & Services		
Finished Goods	15,839.64	15,118.31
Traded Goods	437.56	487.60
Contract Revenue	36.45	-
A	16,313.65	15,605.91
Other Operating Revenue		
Scrap Sales	35.48	21.38
Compensation/Claim received	-	0.50
GST Claim (Refer Note 43)	-	86.78
Profit on Import Licenses	7.44	3.45
Duty Drawback	-	0.67
B	42.92	112.78
Total (A+B)	16,356.57	15,718.69

Notes to the Financial Statements

For The Year Ended 31st March, 2020

24. Other Income

₹ in million

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Interest	47.17	8.94
Dividend	0.09	0.05
Gain on fair valuation of Investments through Profit and loss	-	0.69
Profit on sale of Fixed Assets (Net)	-	28.87
Mark to Market gain on Derivatives	10.85	-
Balances written back	11.31	10.40
Foreign Currency Exchange Difference (Net)	-	18.18
Rent Received	-	4.13
Miscellaneous Income	0.02	-
Total	69.44	71.26

25. Cost of Materials Consumed

₹ in million

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Inventory at the beginning of the year	1,065.51	1,255.04
Add : Purchases	12,182.44	10,539.06
Less : Inventory at the end of the year	(1,604.25)	(1,065.51)
	11,643.70	10,728.59
Contract Cost	28.54	-
Total	11,672.24	10,728.59

26. Purchase of Stock in Trade

₹ in million

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Trading Purchases	484.88	340.84
Total	484.88	340.84

27. Changes in inventories of finished goods, work in progress and stock in trade

₹ in million

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Stock at the end of the year		
Traded goods	199.40	99.48
Work in Progress	48.16	32.09
Finished Goods - Pipes & Fittings	1,569.21	792.45
A	1,816.77	924.02
Stock at the beginning of the year		
Traded goods	99.48	77.95
Work in Progress	32.09	24.20
Finished Goods - Pipes & Fittings	792.45	1,026.05
B	924.02	1,128.20
(Increase)/Decrease in Stocks (B-A)	(892.75)	204.18

28. Employee Benefit Expenses

₹ in million

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Remuneration to Directors	39.18	41.27
Salary, Wages and Bonus	730.38	664.14
Contribution to Provident Fund and other Fund	62.66	44.38
Staff Welfare	20.06	21.41
Other employee related benefit expenses	43.30	36.23
Employee Compensation Expenses (ESOP 2017) (Refer Note 37)	6.02	9.41
Total	901.60	816.83

Notes to the Financial Statements

For The Year Ended 31st March, 2020

29. Finance Cost

₹ in million

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Interest		
On Working Capital from Banks	163.88	153.90
On Term Loans	110.35	167.48
On Lease Liability (Refer Note 41)	2.75	-
Others	9.53	10.67
Bank Commission and Charges	45.19	30.99
Total	331.70	363.04

30. Other Expenses

₹ in million

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Consumption of Stores and Spares	106.67	112.54
Power and Fuel Expenses	449.35	385.69
Labour Charges	288.85	250.75
Repairs Expenses		
Repairs to Machinery	24.75	16.74
Repairs to Others	7.16	10.74
Factory Maintenance Expenses	42.89	33.06
Computer Expenses	28.86	17.77
Brokerage and Commission	24.38	27.52
Printing and Stationery	3.67	4.38
Telephone and Internet Charges	7.75	8.56
Rates and Taxes	10.12	0.07
Insurance Premium	18.86	10.08
Foreign Currency Exchange Difference (Net)	52.39	-
MTM Losses on Derivatives	-	6.03
Legal and Professional Fees	30.59	33.18
Director's Sitting Fees	2.43	0.23
Transport, Freight and Octroi Charges	231.61	232.40
Loss on fair valuation of Investments through Profit and loss	1.82	-

₹ in million

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Advertisement and Sales Promotion Expenses	321.17	432.79
Rent and Maintenance Expenses (Refer Note 41)	90.52	107.59
Travelling and Conveyance Expenses	65.37	60.21
Provision for Doubtful Debts	16.96	4.93
Provision for impairment in value of an asset	4.29	-
Loss on sale of Fixed Assets (Net)	13.52	-
Donation	27.76	10.44
CSR Activities	10.00	0.06
Electricity Expenses	1.93	1.52
Miscellaneous Expenses	15.58	17.77
Payment to Auditors		
Audit Fees*	3.50	2.50
Reimbursement of expenses	0.03	0.05
Others	0.04	0.05
Total	1,902.82	1,787.64

*exclude the fees paid to auditors for IPO amounting to ₹ 3.28 million (Previous year ₹ 3.51 million) which is adjusted towards security premium account (Refer Note 47)

31. Capital Management (Ind AS 1):

The Company's objectives when managing capital are to:

- maximise shareholder value and provide benefits to other stakeholders and,
- maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Company consists of issued capital, share premium and all other equity reserves attributable to the equity holders. The company's risk management committee reviews the capital structure of the company. The Company monitors capital using debt-equity ratio, which is debt divided by equity.

Notes to the Financial Statements

For The Year Ended 31st March, 2020

₹ in million

Particulars	As at 31-03-2020	As at 31-03-2019
Debt*	2,597.71	2,969.12
Equity	8,376.76	3,989.13
Debt to Equity	0.31	0.74

*Debt is defined as long-term borrowings, short-term borrowings and current maturities of long term borrowings, as described in notes 15 and 16.

In addition the Company has financial covenants relating to the borrowing facilities that it has taken from the lenders like interest coverage service ratio, Debt to EBITDA, etc. which is maintained by the Company.

32. Financial Risk Management Objectives (Ind AS 107)

The Company's principal financial liabilities, other than derivatives, comprises of borrowings, trade and other payables. These are primarily represents liabilities from operations and financial liabilities to finance the company's operations. The company's principal financial assets, other than derivatives include trade and other receivables, investments and cash and cash equivalents that derive directly from its operations.

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's overall risk management focuses on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the Company. The company uses derivative financial instruments, such as foreign exchange forward contracts, cross currency swaps that are entered to hedge foreign currency risk exposure and hedge variable interest rate exposure. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The sources of risks which the company is exposed to and their management is given below:

Risk	Exposure Arising From	Measurement	Management
A. Market Risk			
1) Foreign Exchange Risk	Committed commercial Financial Instruments not denominated in INR	Cash Flow Forecasting Sensitivity Analysis	Forward foreign exchange contracts and cross currency swap
2) Interest Rate	Long Term Borrowings at variable rates	Sensitivity Analysis, Interest rate movements	Cross currency swap, monitoring of limits of fund based and non fund based facilities, diversification of borrowing portfolio
3) Commodity Price Risk	Movement in prices of commodities	Sensitivity Analysis, Commodity price tracking	Active inventory management, Sales Price linked to purchase price
B. Credit Risk	Trade receivables, Investments, Derivative financial instruments, loans	Aging analysis, Credit Rating	Credit limit and credit worthiness monitoring, Criteria based approval process
C. Liquidity Risks	Borrowings and Other Liabilities and Liquid investments	Rolling cash flow forecasts	Monitoring of credit lines and borrowing limits, channel finance arrangement

The Company has policies, procedures and authorisation matrix for utilisation of funds, which ensures deployment of fund in prudent manner and the availability of funding through an adequate amount of credit facilities to meet obligation when due.

The Company's treasury team updates Senior management on periodical basis about implementation and execution of above policies. It also updates senior management on periodical basis about various risk to the business and status of various activities planned to mitigate the risk.

A. Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings.

Notes to the Financial Statements

For The Year Ended 31st March, 2020

1) Foreign Currency risk

Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to import of raw materials, capital expenditure and exports. When a derivative is entered for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure.

The Company evaluates exchange rate exposure arising from foreign currency transactions. The Company follows established risk management policies and procedures. It uses derivative instruments like foreign currency forwards and cross currency swaps to hedge exposure to foreign currency risk.

₹ in million

Outstanding foreign currency exposure	As at 31-03-2020	As at 31-03-2019
Financial Liabilities		
Trade Payables		
USD	11.62	20.54
Euro	0.26	0.21
AED	-	-
Borrowing		
USD	1.78	2.91
Others		
USD	-	0.03
Financial Assets		
Trade Receivable		
USD	0.00	0.00
Others		
USD	-	0.00
Euro	-	0.02
AED	-	0.81

Foreign Currency sensitivity on unhedged exposure

Gain / (Loss) in rupees due to increase in foreign exchange rates by 100 bps

₹ in million

Particulars	As at 31-03-2020	As at 31-03-2019
USD	(10.13)	(1.96)
EURO	(0.21)	(0.15)
AED	-	0.15

Note: If the rate is increased by 100 bps profit will decrease by an equal amount.

2) 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 relates primarily to the company's term loans and short term borrowing with floating interest rate. For foreign currency loan with floating rate, the risk of variation in interest rate is mitigated through cross currency swap. The company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Interest Rate exposure

₹ in million

Particular	Total Borrowing	Floating Rate Borrowing
INR	2,463.11	2,463.11
USD	134.60	134.60
Total as at March 31, 2020	2,597.71	2,597.71
INR	2,768.14	2,768.14
USD	200.98	200.98
Total as at March 31, 2019	2,969.12	2,969.12

Interest rate sensitivities for unhedged exposure

Gain / (Loss) due to increase in interest rates by 100 bps

₹ in million

Particulars	As at 31-03-2020	As at 31-03-2019
INR	(25.98)	(29.69)

Note: If the rate is decreased by 100 bps profit will increase by an equal amount.

Interest rate sensitivity has been calculated assuming the borrowings are outstanding at the reporting date have been outstanding for the entire reporting period. Further, the calculations for unhedged floating rate borrowing have been done on the INR value of foreign currency borrowing.

Notes to the Financial Statements

For The Year Ended 31st March, 2020

Forward exchange and Cross Currency Swaps Contracts:

(a) Derivatives for hedging currency and interest rates, outstanding are as under:

Particular	Purpose	Currency	As at 31-03-2020	As at 31-03-2019
Forward Contracts	Imports	USD (in million)	9.32	17.74
Cross Currency Swap	ECB*	USD (in million)	1.78	2.91

* External Commercial Borrowings

(b) Cash Flow Hedges

The Company has raised foreign currency external commercial borrowings and to mitigate the risk of foreign currency and floating interest rates the Company has taken Cross Currency Swaps. The Company is following hedge accounting for the foreign currency borrowings raised based on qualitative approach.

The Company assesses hedge effectiveness based on following criteria:

- (i) an economic relationship between the hedged item and the hedging instrument;
- (ii) the effect of credit risk; and
- (iii) assessment of the hedge ratio

The Company designates the Cross currency swaps to hedge its currency risk and interest rate risk and applies a hedge ratio 1:1.

Foreign currency cash flow

Particular	As at	Foreign Currency USD million
Buy currency for External Commercial Borrowings (USD)	31-03-2020	-
Buy currency for External Commercial Borrowings (USD)	31-03-2019	-

Cross Currency Swaps

Particular	As at	Nominal Amount USD million
2 to 5 years	31-03-2020	1.78
2 to 5 years	31-03-2019	2.91

Recognition of gains/(losses) under cross currency swaps contracts designated under cash flow hedges:

Particular	As at 31-03-2020		As at 31-03-2019	
	₹ in million	₹ in million	₹ in million	₹ in million
	Effective hedge (OCI)	Ineffective Hedge (Profit and Loss)	Effective hedge (OCI)	Ineffective Hedge (Profit and Loss)
Gain/(Loss)	2.04	-	0.61	-

Notes to the Financial Statements

For The Year Ended 31st March, 2020

3) Commodity Price Risk

Commodity price risk for the Company is mainly related to fluctuations in raw material prices linked to various external factors, which can affect the production cost of the Company. To manage this risk, the Company monitors factors affecting prices, identifies new sources of supply of raw material, monitors inventory level, etc. Additionally, processes and policies related to such risks are reviewed and controlled by senior management and monitored by the procurement department.

B. Credit Risk Management

Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing / investing activities, including deposits with banks, foreign exchange transactions and financial guarantees. The Company has no significant concentration of credit risk with any counterparty.

Trade Receivable

Trade receivables are consisting of a large number of customers / distributors. The Company has credit evaluation policy for each customer / distributor and based on the evaluation credit limit of each customer / distributor is defined. The Company's marketing team are responsible for monitoring receivable on periodical basis. Wherever the Company assesses the credit risk as high, the exposure is backed by security deposits and post dated cheques.

Total trade receivable as on March 31, 2020 ₹ 1,797.08 million (March 31, 2019 is ₹ 2,503.61 million.)

As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk. The policy for creating provision for credit losses on trade receivables is as per following provision matrix:-

Particular	Loss Allowance Provision
0 to year	Nil
Above one year and less than two year	20%
Above two year and less than three year	40%
Above three year and less than four year	80%
More than four year	100%

Further, in addition to the provisions as per provision matrix, the Company also provides for credit allowances on specific identification basis.

Movement of provision for doubtful debts:

₹ in million

Particulars	As at 31-03-2020	As at 31-03-2019
Opening Provision	42.21	37.28
Add: Provision during the year	16.96	4.93
Less: Utilised during the year	5.35	-
Closing Provision	53.82	42.21

Investments, Derivative Instruments, Cash and Cash Equivalent and Bank Deposit:

Credit Risk on cash and cash equivalent, deposits with the banks / financial institutions is generally low as the said deposits have been made with the banks / financial institutions who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments are generally low as Company enters into the Derivative Contracts with the reputed Banks and Financial Institutions.

C. Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The table below provides details regarding the remaining contractual maturities of financial liabilities and investments held for managing the risk at the reporting date based on contractual undiscounted payments.

Notes to the Financial Statements

For The Year Ended 31st March, 2020

₹ in million

As at 31-03-2020	Less than 1 year	1 to 5 years	More than 5 years	Total
Term Loan (Including current maturities of Long term Loans)	165.01	394.59	-	559.60
Short term loan	2,038.11	-	-	2,038.11
Trade Payable	1,807.83	-	-	1,807.83
Interest accrued but not due on borrowing	11.38	-	-	11.38
Other financial liabilities	713.47	146.05	-	859.53
Lease Liabilities (undiscounted)	20.36	41.86	-	62.22
Derivative Liability	-	-	-	-

₹ in million

As at 31-03-2019	Less than 1 year	1 to 5 years	More than 5 years	Total
Term Loan (Including current maturities of Long term Loans)	454.65	1,057.69	-	1,512.34
Short term loan	1,456.78	-	-	1,456.78
Trade Payable	2,151.63	-	-	2,151.63
Interest accrued but not due on borrowing	1.33	-	-	1.33
Other financial liabilities	653.21	160.29	-	813.50
Derivative Liability	5.50	-	-	5.50

32A Classification of Financial Assets and Liabilities (Ind AS 107)

₹ in million

Particulars	As at 31-03-2020	As at 31-03-2019
Financial Assets at amortised cost*		
Trade receivable	1,797.08	2,503.61
Loans	113.72	76.55
Cash and cash equivalents	0.57	88.90
Other Balances with Banks	2,569.67	134.25
Other Financial Assets	139.04	87.64
Financial Assets at fair value through profit or loss		
Investment	5.93	7.77
Derivative Asset	22.46	0.47
Financial Assets at fair value through other comprehensive income		
Investments	0.36	-
Total	4,648.83	2,899.19

Particulars	As at 31-03-2020	As at 31-03-2019
Financial Liabilities at amortised cost*		
Term Loans from Banks (including current maturities of long term borrowing)	559.60	1,512.34
Lease Liabilities	43.95	-
Working Capital loans/ Cash credits	2,038.11	1,456.78
Trade Payable	1,807.83	2,151.63
Other Financial Liabilities	870.91	814.82
Fair Value Hedging Instruments		
Derivative Liability	-	5.50
Total	5,320.41	5,941.08

* Considering the nature of financial assets and financial liabilities fair value is same as amortised cost.

Notes to the Financial Statements

For The Year Ended 31st March, 2020

33. Fair Value measurements (Ind AS 113)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in an orderly transaction in the principal (or most advantageous) market at measurement date under the current market condition regardless of whether that price is directly observable or estimated using other valuation techniques. The Company has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of all quoted investments which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates. Unquoted investments are valued using the closing Net Asset Value. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

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

₹ in million

Particular	Fair Value	
	As at 31-03-2020	As at 31-03-2019
Financial Assets at fair value through profit or loss		
Investments-Level 1	5.93	7.77
Fair Value hedging instruments		
Derivative Assets- level 2	22.46	0.47
Financial Assets at fair value through other comprehensive income		
Investment- Level 2	0.36	-
Total	28.75	8.25
Fair Value hedging instruments		
Derivative liability- level 2	-	5.50
Total	-	5.50

The management assessed that cash and bank balances, trade receivables, trade payables, cash credits and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

- The fair values of the quoted investments are based on market price/net asset value at the reporting date.
- The fair value of unquoted investments is based on closing Net Assets Value.
- The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates and interest rate curve of the respective currencies.
- The fair value of currency swap is calculated as the present value determined using forward exchange rates, currency basis spreads between the respective currencies, interest rate curves and an appropriate discount factor.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis. The discount rates used is based on management estimates.

34. Contingent Liability and Commitments not provided for in respect of:

- Claims against the company not acknowledged as debt

₹ in million

Particulars	As at 31-03-2020	As at 31-03-2019
Income Tax (related to compliance and allowance & disallowance)	27.67	25.54
Excise Duty*	0.38	-
Sales Tax*	8.98	-
Other Cases (related to customers)	0.35	1.10

*on account of disputes in tax rates

Cash outflows for the above are determinable only on receipt of judgments pending at various forums / authorities.

Notes to the Financial Statements

For The Year Ended 31st March, 2020

ii) Guarantees

Guarantees given by Banks on behalf of the Company to Government and Semi Government Authorities upto ₹ 48.87 million (March 31, 2019 ₹ 19.49 million).

iii) Commitments

Estimated amount of Contracts remaining to be executed on Capital account and not provided for are ₹ 321.53 million (March 31, 2019 ₹ 450.70 million) and Other Commitments ₹ 853.52 million (March 31, 2019 ₹ 677.13 million)

- iv) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Pending directions or clarification from the EPFO, the quantification of impact, if any, is not ascertainable and consequently no effect has been given in the accounts.

35. Employee Benefits

The disclosures required under IND AS 19 "Employee Benefits" are given below :

i) Reconciliation of opening and closing balances of the present value of the Defined Benefit Obligation:

₹ in million

Particulars	For the year ended 31-03-2020			For the year ended 31-03-2019		
	Gratuity		Compensated Absences	Gratuity		Compensated Absences
	Funded	Non Funded		Funded	Non Funded	
Present Value of obligations at the beginning of the year	2.21	47.94	46.69	2.01	39.89	40.99
Interest Cost	0.17	3.67	3.57	0.16	3.11	3.20
Past Service Cost	-	-	-	-	-	-
Current Service Cost	0.37	8.59	17.14	0.34	6.19	12.10
Benefits paid	(0.34)	(2.39)	(4.27)	(1.13)	(3.36)	(3.00)
Actuarial (gain)/ loss on obligation	0.35	10.51	2.07	0.83	2.11	(6.60)
Present Value of obligations at the end of the year	2.76	68.32	65.20	2.21	47.94	46.69

A Defined Contribution Plans:

Amount recognized as an expense and included in Note 28 under the head "Contribution to Provident and other Funds" of Statement of Profit and Loss ₹ 33.34 million (March 31, 2019 ₹ 32.73 million).

B Defined Benefit Plans:

Gratuity:

The Company operates a defined benefit plan covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees salary and the tenure of employment. The Gratuity scheme of the company is funded for certain employees and non funded for the remaining employees.

Compensated Absences :

The Company allows privilege leave and sick leave to its employees. Privilege leave and sick leave are accumulated and can be availed during the period of employment or encashed at the time of resignation, retirement or termination of employment.

Notes to the Financial Statements

For The Year Ended 31st March, 2020

ii) Statement showing changes in the fair value of plan assets

₹ in million

Particulars	For the year ended 31-03-2020			For the year ended 31-03-2019		
	Gratuity		Compensated Absences	Gratuity		Compensated Absences
	Funded	Non Funded		Funded	Non Funded	
Fair Value of plan assets at the beginning of the year	2.62	-	-	3.06	-	-
Actual Return on Plan Assets	0.20	-	-	0.22	-	-
Contributions	0.96	2.39	4.27	0.00	3.36	3.00
Benefits paid	(0.34)	(2.39)	(4.27)	(0.66)	(3.36)	(3.00)
Fair Value of Plan Assets at the end of the year	3.44	-	-	2.62	-	-

iii) Amount to be recognised in the Balance Sheet

₹ in million

Particulars	For the year ended 31-03-2020			For the year ended 31-03-2019		
	Gratuity		Compensated Absences	Gratuity		Compensated Absences
	Funded	Non Funded		Funded	Non Funded	
Present Value of obligation	(2.76)	(68.32)	(65.20)	(2.21)	(47.94)	(46.69)
Fair Value of Plan Assets	3.44	-	-	2.62	-	-
Funded Status	0.68	(68.32)	(65.20)	0.41	(47.94)	(46.69)
Unrecognized Actuarial gain/ (loss)	-	-	-	-	-	-
Net Asset/(Liability) recognised in the Balance Sheet	0.68	(68.32)	(65.20)	0.41	(47.94)	(46.69)

iv) Expenses recognised in the Profit and Loss Statement

₹ in million

Particulars	For the year ended 31-03-2020			For the year ended 31-03-2019		
	Gratuity		Compensated Absences	Gratuity		Compensated Absences
	Funded	Non Funded		Funded	Non Funded	
Current Service Cost	0.37	8.59	17.14	0.34	6.19	12.10
Interest Cost	0.17	3.67	3.57	0.16	3.11	3.20
Expected Return on Plan Assets	(0.20)	-	-	(0.24)	-	-
Past Service cost	-	-	-	-	-	-
Net Actuarial (gain)/ loss recognised in the year	-	-	2.07	-	-	(6.60)
Expenses recognised in the Profit and Loss Statement	0.34	12.26	22.78	0.26	9.30	8.70

Notes to the Financial Statements

For The Year Ended 31st March, 2020

v) Re-Measurement recognised in OCI

₹ in million

Particulars	For the year ended 31-03-2020			For the year ended 31-03-2019		
	Gratuity		Compensated Absences	Gratuity		Compensated Absences
	Funded	Non Funded		Funded	Non Funded	
Changes in Financial Assumptions	0.48	10.98	-	0.14	(1.85)	-
Changes in Demographic Assumptions	-	-	-	-	-	-
Experience Adjustment	(0.13)	(0.47)	-	(0.97)	(0.26)	-
Actual return on Plan Assets less interest on plan assets	-	-	-	-	-	-
Expenses recognised in OCI [Loss / (Gain)]	0.35	10.51	-	(0.83)	(2.11)	-

vi) Maturity Profile of Defined Benefit Obligation

₹ in million

Particulars	For the year ended 31-03-2020			For the year ended 31-03-2019		
	Gratuity		Compensated Absences	Gratuity		Compensated Absences
	Funded	Non Funded		Funded	Non Funded	
Within next 12 month	0.37	11.94	11.05	0.43	9.37	6.38
Between 1 and 5 year	2.20	57.90	37.18	1.80	37.33	21.82
Between 5 and 10 year	-	-	-	-	-	-
10 Year and above	-	-	-	-	-	-

vii) Sensitivity Analysis for significant assumption

₹ in million

Particulars	For the year ended 31-03-2020			For the year ended 31-03-2019		
	Gratuity		Compensated Absences	Gratuity		Compensated Absences
	Funded	Non Funded		Funded	Non Funded	
0.5% Increase in discount rate	(0.10)	(2.22)	(2.06)	(0.19)	(3.19)	(3.76)
0.5% decrease in discount rate	0.11	2.36	2.20	0.29	3.53	4.20
0.5% Increase in salary escalation clause	0.11	2.39	2.24	0.30	3.67	4.31
0.5% Decrease in salary escalation clause	(0.10)	(2.27)	(2.12)	(0.20)	(3.34)	(3.88)

* These Sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

Notes to the Financial Statements

For The Year Ended 31st March, 2020

viii) Major Categories of Plan Assets as Percentage of Total Plan

₹ in million

Particulars	For the year ended 31-03-2020			For the year ended 31-03-2019		
	Gratuity		Compensated Absences	Gratuity		Compensated Absences
	Funded	Non Funded		Funded	Non Funded	
Funds managed by insurer (LIC)	100%	-	-	100%	-	-

ix) Principal actuarial assumptions at the Balance Sheet date

₹ in million

Particulars	For the year ended 31-03-2020			For the year ended 31-03-2019		
	Gratuity		Compensated Absences	Gratuity		Compensated Absences
	Funded	Non Funded		Funded	Non Funded	
Discounted Rate	6.91%	6.91%	6.91%	7.65%	7.65%	7.65%
Expected Return on Plan Assets	-	-	-	-	-	-
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Rate of increase in compensation	5.00%	5.00%	8.00%	3.00%	3.00%	8.00%
Withdrawal Rates	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Retirement Age	60 yrs.	60 yrs.	60 yrs.	60 yrs.	60 yrs.	60 yrs.

* Note : The rate of increase in compensation for privilege leave encashment is 8% and for sick leave encashment it is 8%.

₹ in million

Particulars	For the year ended 31-03-2020			For the year ended 31-03-2019		
	Gratuity		Compensated Absences	Gratuity		Compensated Absences
	Funded	Non Funded		Funded	Non Funded	
Weighted average duration of defined benefit obligation	7.44	12.57	NA	6.44	12.09	NA

xi) Expected rate of return on Plan Assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

xii) The estimates of future salary increases are considered taking into account inflation, seniority, promotion and other relevant factors.

xiii) Asset Liability matching strategy:

The money contributed by the Company to the Gratuity fund to finance the liabilities of the plan has to be invested for funded gratuity plan. The Company has outsourced the investment management of the fund to an Insurance Company. The Insurance Company in turn manages these funds as per the permissible limits prescribed in the insurance regulation. Due to the restriction in the type of investment that can be held by the fund, it is not possible to explicitly follow an asset liability matching strategy. There is no compulsion on the part of the Company to fully prefund the liability of the Plan.

Notes to the Financial Statements

For The Year Ended 31st March, 2020

xiv) The Company's expected contribution during next year is ₹ 32.99 million (March 31, 2019 of ₹ 22.73 million).

36 Related Party Disclosures

a)	Name of Related Party	For the year ended 31-03-2020	For the year ended 31-03-2019
	M/s Prince Marketing	SI *	SI *
	M/s Pinnacle Realty Projects Pvt. Ltd.	SI *	SI *
	M/s Ace Polyplast Pvt. Ltd.	SI *	SI *
	Prince Foundation	SI *	SI *
	Jayant S. Chheda Charitable Trust	SI *	SI *
	Mrs. Tarla J. Chheda (Wife of Director)	Relatives ***	Relatives ***
	Mrs. Ashwini V. Chheda (Wife of Director)	Relatives ***	Relatives ***
	Jayant S. Chheda (HUF) (Relative)	Relatives ***	Relatives ***
	Mrs. Vaishali H. Shah (Relative)	Relatives ***	Relatives ***
	Mrs. Heena P. Chheda (Relative till 30 th September, 2016)	Relatives ***	Relatives ***
	Mrs. Heena P. Chheda (Director w.e.f 1 st October, 2016)	KMP **	KMP **
	Mr. Jayant S. Chheda (Managing Director)	KMP **	KMP **
	Mr. Parag J. Chheda (Director)	KMP **	KMP **
	Mr. Vipul J. Chheda (Director)	KMP **	KMP **
	Mr. Nihar P. Chheda (Associate Vice President)	Relatives ***	Relatives ***
	Mr. Ramesh Chandak (Independent Director)	KMP **	KMP **
	Mr. Mohinder Pal Bansal (Independent Director)	KMP **	KMP **
	Mr. Sundar Parthasarathy (Independent Director)##	KMP **	KMP **
	Mr. Anup Pravin Shah (Independent Director)#	KMP **	KMP **
	Mr. Dilip Deshpande (Independent Director)###	KMP **	KMP **
	Mrs. Uma Mandavgane (Independent Director)	KMP **	KMP **

* SI represents Enterprises over which Key Managerial Personnel have significant influence as defined in Ind AS 24

** KMP represents Key Managerial Personnel as defined in Ind AS 24

*** Relatives represents Relatives of Key Managerial Personnel as defined in Ind AS 24

Appointed on 16.09.2017 and resigned on 28.05.2018

Appointed on 06.06.2018 and resigned on 13.05.2019

Appointed on 22.06.2019

Notes to the Financial Statements

For The Year Ended 31st March, 2020

b) Transactions carried out with related parties referred above, in the ordinary course of business:

₹ in million

Name of the transacting related party	Nature of Transactions	For the year ended 31-03-2020	For the year ended 31-03-2019
M/s Ace Polyplast Pvt. Ltd.	Sale of Goods	-	146.81
M/s Prince Marketing	Purchase of Goods	-	36.43
M/s Ace Polyplast Pvt. Ltd.	Purchase of Goods	193.24	66.41
M/s Prince Marketing	Advance against Property	-	54.58
Jayant S. Chheda	Rent paid	2.42	2.31
Parag J. Chheda	Rent paid	4.85	4.62
Vipul J. Chheda	Rent paid	4.85	4.62
Tarla J. Chheda	Rent paid	2.42	2.31
Ashwini V. Chheda	Rent paid	4.85	4.62
Amardeep Udyog (Firm)	Purchase of Goods	8.48	-
Jayant S. Chheda	Remuneration and Commission	16.07	13.67
Parag J. Chheda	Remuneration and Commission	13.41	11.27
Vipul J. Chheda	Remuneration and Commission	12.05	10.07
Heena P. Chheda	Remuneration and Commission	6.29	6.28
Jayant S. Chheda	Reimbursement of travelling expenses	0.37	-
Parag J. Chheda	Reimbursement of travelling expenses	0.06	-
Vipul J. Chheda	Reimbursement of travelling expenses	0.04	-
Jayant S. Chheda	Share issue expenses reimbursement from promoters	(12.17)	-
Tarla J. Chheda	Share issue expenses reimbursement from promoters	(85.21)	-
Parag J. Chheda	Share issue expenses reimbursement from promoters	(45.65)	-
Vipul J. Chheda	Share issue expenses reimbursement from promoters	(39.56)	-
Ashwini V. Chheda	Salary	1.14	0.81
Heena P. Chheda	Salary	2.10	-
Nihar P. Chheda	Salary	2.87	0.82
Vaishali H. Shah	Salary	0.30	-
Prince Foundation	Donation	5.53	5.88
Mr. Ramesh Chandak (Independent Director)	Sitting fees	0.60	0.08
Mr. Mohinder Pal Bansal (Independent Director)	Sitting fees	0.58	0.05
Mr. Sundar Parthasarathy (Independent Director)	Sitting fees	-	0.03
Mrs. Uma Mandavgane (Independent Director)	Sitting fees	0.73	0.08

Notes to the Financial Statements

For The Year Ended 31st March, 2020

(c) Outstanding balances:

₹ in million

Name of the transacting related party	Nature of Transaction	For the year ended 31-03-2020	For the year ended 31-03-2019
M/s Ace Polyplast Pvt. Ltd.	Trade Receivables	-	146.81
M/s Ace Polyplast Pvt. Ltd.	Advances for Trade Payables	-	37.19
M/s Prince Marketing	Advance against Property	400.00	400.00
Jayant S. Chheda	Remuneration and Commission Payable	1.28	1.14
Parag J. Chheda	Remuneration and Commission Payable	1.06	0.94
Vipul J. Chheda	Remuneration and Commission Payable	0.94	0.84
Jayant S. Chheda	Deposit given	1.35	1.35
Parag J. Chheda	Deposit given	2.70	2.70
Vipul J. Chheda	Deposit given	2.70	2.70
Tarla J. Chheda	Deposit given	1.35	1.35
Ashwini V. Chheda	Deposit given	2.70	2.70
M/s Prince Marketing	Deposit received	(0.50)	(0.50)
Heena P. Chheda	Remuneration and Commission Payable	-	0.52
Jayant S. Chheda	Share issue expenses recoverable from promoters	(0.22)	-
Tarla J. Chheda	Share issue expenses recoverable from promoters	(1.51)	-
Parag J. Chheda	Share issue expenses recoverable from promoters	14.68	-
Vipul J. Chheda	Share issue expenses recoverable from promoters	14.78	-
Heena P. Chheda	Salary Payable	0.17	-
Nihar P Chheda	Salary Payable	0.13	0.10
Vaishali H. Shah	Salary Payable	0.01	0.04
Ashwini V. Chheda	Salary Payable	0.08	0.06

List of Related Parties and transactions have been identified by the management and relied upon by the Auditors

37 Share Based Payments (Ind AS 102)

The Company has granted 900,158 options to its eligible employees in various ESOP Schemes, details are as under:

- i) No of Option granted will be 900,158
- ii) Exercise price of options will be ₹ 200/- per share
- iii) Date of grant 16th September 2017
- iv) Period within which options will vest unto the participant:

End of 1 year from the date of grant of options:	10%
End of 2 year from the date of grant of options:	20%
End of 3 year from the date of grant of options:	30%
End of 4 year from the date of grant of options:	40%
- v) Maximum term of options granted is 4 years
- vi) Method of settlement is equity settled

Notes to the Financial Statements

For The Year Ended 31st March, 2020

Employee stock option activity under Scheme 2017 is as follows:

Particulars	For the year ended 31-03-2020		For the year ended 31-03-2019	
	No of shares	WAEP	No of shares	WAEP
Outstanding at beginning of the year	7,29,004	-	8,51,160	-
Granted during the year	-	-	-	-
Forfeited during the year	68,280	-	1,22,156	-
Cancelled during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	6,60,724	-	7,29,004	-
Options Unvested at the end of the year	4,62,507	-	7,29,004	-
Exercisable at the end of the year	1,98,217	-	-	-

Fair Valuation:

The fair value of option have been done by an independent firm on the date of grant using the Black-Scholes Model

The Key assumptions in the Black-Scholes Model for calculating fair value as on the date of grant:

Variables	Grant Date: September 16, 2017			
	Vest 1	Vest 2	Vest 3	Vest 4
Fair Market Value	200	200	200	200
Volatility	0.00%	0.00%	0.00%	0.00%
Risk free Rate	6.20%	6.34%	6.48%	6.60%
Exercise Price	200	200	200	200
Expected Life	2	3	4	5
Dividend yield	0	0	0	0
Option Fair Value	22.66	33.67	44.42	54.73
Vesting schedule	0.1	0.2	0.3	0.4
Weighted average fair value	44.22			

Details of Liabilities arising from the share based payment were as follows:

Variables	For the year ended 31-03-2020	For the year ended 31-03-2019
Total Carrying Amount (in million)	22.59	16.58

38 Income Taxes (Ind AS 12)

Reconciliation of Effective Tax Rate

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Profit before Tax (in million)	1,505.74	1,113.11
Tax Expense (in million)	380.67	291.79
Effective Tax Rate (in %)	25.28%	26.21%
Effect of Non-Deductible / Deductible expenses (in %)	-1.56%	-2.93%
Effect of MAT credit utilised (in %)	0.00%	11.66%
Applicable Tax Rate (in %)	25.17%	34.94%

Notes to the Financial Statements

For The Year Ended 31st March, 2020

The Government of India, on 20.09.2019 vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new section 115BAA in the Income Tax Act, 1961 which provides an option to the Company for paying income tax at reduced rates subject to compliance of the conditions stipulated therein. Pursuant to election of above option, the Company has reversed deferred tax liabilities amounting to ₹ 49.94 million due to reduction in effective income tax rate from 34.944% to 25.168% during the year ended 31.03.2020.

39 The Company is engaged in manufacturing and selling of PVC, CPVC, PPR and HDPE Pipes and Fittings primarily in India. As per Ind AS 108 "Operating Segments", specified under Section 133 of the Companies Act, 2013, there are no reportable operating or geographical segments applicable to the Company

40 Disclosure pertaining to Ind AS-33 Earnings Per Share

Earnings per share (EPS) is calculated as under :

₹ in million

Sr No	Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
1	Profit for the year attributable to owners of the company (A)	1,125.07	821.32
2	Weighted average number of equity shares for Basic EPS (B)	95.60	90.02
3	Basic EPS (A/B)	11.77	9.12
4	Potential Equity Shares on exercise of options (Nos.)	-	-
5	Weighted average number of equity shares for Diluted EPS (C)	95.60	90.02
	Diluted EPS (A/C)	11.77	9.12
6	Nominal Value of Share	10.00	10.00

41 Disclosure pertaining to Ind AS 116 Lease is as under

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The Company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at April 1, 2019. As a result, the comparative information has not been restated.

The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics. The Company has treated the leases with remaining lease term of less than 12 months as if they were "short term leases". The Company has not applied the requirements of Ind AS 116 for leases of low value assets.

The effect of initial recognition as per Ind AS 116 is as follows:

₹ in million

Particulars	31-03-2020
Right of Use Assets recognised as on 01.04.2019	62.37
Lease Liabilities recognised as on 01.04.2019	60.59
Net Impact on Retained Earnings as on 01.04.2019	1.78

The effect of implementing Ind AS 116 for the year ended March 31, 2020 is as follows:

₹ in million

Particulars	For the year ended 31-03-2020
Depreciation and Amortisation expenses are higher by	15.92
Finance Costs are higher by	2.75
Rent and Maintenance Expenses are lower by	19.39

Lease Expenses recognized in Profit and Loss statement not included in the measurement of lease liabilities:

₹ in million

Particulars	For the year ended 31-03-2020
Expenses relating to short-term leases	51.79
Expenses relating to leases of low-value assets	-

Maturity analysis of lease liabilities– contractual undiscounted cash flows:

₹ in million

Particulars	31-03-2020
Less than one year	20.36
One to five years	41.86
More than five years	-
Total undiscounted lease liabilities at March 31, 2020	62.22

Notes to the Financial Statements

For The Year Ended 31st March, 2020

Disclosure pertaining to Ind AS 17 for the year ended 31-03-2019 as Lessee is as under

Non - Cancellable Operating Lease :

The Company has not executed non-cancellable lease agreement.

Cancellable Operating Lease:

Operating lease payment recognised in the Statement of Profit and Loss amounting to ₹ 63.42 million

General Description of leasing agreements:

- Lease Assets: Flats & others
- Future Lease rentals are determined on the basis of agreed terms.
- At the expiry of lease terms, the Company has an option to return the assets or extend the term by giving notice in writing.
- Lease agreements are generally cancellable and are renewable by mutual consent on mutually agreed terms

42 Information as per the requirement of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

₹ in million

Sr No	Particulars	31-03-2020	31-03-2019
a	(i) The principal amount remaining unpaid to any supplier at the end of accounting year included in trade payables	318.74	46.03
	(ii) Interest due on above and unpaid interest	2.15	0.07
	Total (i+ii)	320.89	46.11
b	The amount of interest paid by the buyer in terms of section 16 of the Act	-	-
c	The amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-

Sr No	Particulars	31-03-2020	31-03-2019
d	The amounts of interest accrued and remaining unpaid at the end of financial year	2.15	0.07
e	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under this Act	-	-
f	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

The identification of suppliers as micro, small and medium enterprise defined under "The Micro, Small and Medium Enterprises Development Act, 2006" was done on the basis of information to the extent provided by the suppliers of the Company and has been relied upon by the auditors.

43 During the year ended 31.03.2020, the Company has commissioned a new manufacturing plant at Jobner, Rajasthan. The installed capacity of the manufacturing plant at Rajasthan as on 31.03.2020 is 20,909 MT.

44 Fresh issue of shares

a. During the year ended 31.03.2020, the Company had completed the Initial Public Offer (IPO) of its equity shares comprising a fresh issue of 1,40,44,943 equity shares having a face value of ₹ 10 each at an offer price of ₹ 178 per share aggregating to ₹ 2,500 million and an offer for sale of 1,40,44,942 equity shares by existing shareholders aggregating to ₹ 2,500 million. Pursuant to the IPO, the Equity shares of the Company have got listed on BSE limited and NSE limited on 30.12.2019.

Notes to the Financial Statements

For The Year Ended 31st March, 2020

- b. During the year ended 31.03.2020, the Company had undertaken a private placement (Pre IPO Placement) of 5,96,500 Compulsorily convertible preference shares (CCPS) having a face value of ₹ 100 each at a premium of ₹ 1,680 each aggregating to ₹ 1,061.77 million. The same have been converted into 59,65,000 equity shares of ₹ 10 each at a premium of ₹ 168 each on 09.12.2019.

Utilisation of Net IPO Proceeds and proceeds from Pre IPO placement for the year ended 31.03.2020

₹ in million

Particulars	Pre IPO Placement	IPO
Amount Received	1,061.77	2,500.00
Less: Amount paid/invested		
Repayment of Long Term Debt	381.70	100.00
Upgradation of Equipments	228.30	-
General corporate purposes	100.00	319.00
Balance amount deposited in Bank	351.77	2,081.00

45 Revenue (IND AS 115)

a. Revenue from manufacturing and trading activities

The Company is primarily in the Business of manufacture and sale of plastic pipes and fittings. All sales are made at a point in time and revenue from contract with customer are recognised when goods are dispatched and the control over the goods sold are transferred to customers. The Company does not expect to have any contracts where the period between the transfer of goods and payment by customer exceeds one year. Hence, the Company does not adjust revenue for the time value of money.

In compliance with Ind AS 115, discounts and incentives provided to customers are now treated as variable components of consideration and have been recognised as revenue deductions instead of other expenses. Such discount were recognized as deduction from revenue in previous period also.

Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

₹ in million

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Revenue as per Contract price	17,132.47	15,933.51
Less: Discounts and incentives	855.28	327.60
Revenue as per statement of profit and loss	16,277.19	15,605.91

Contract liability (Advances from Customers):

₹ in million

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Closing Contract Liability	48.00	16.29

The Contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended March 31, 2020.

b. Revenue from Turn-key Contract

The state of Andhra Pradesh has assigned three Villages (Kandulavaripalle, Venkata Chalam & Aman Charla) to the Company for under-ground Drainage system. The Company recognises revenue to the extent of transaction price allocated to the performance obligation satisfied. The Company measures the progress using the Output method and the satisfaction of performance obligation is measured based on the achievement of milestone as per the terms of contract."

Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

₹ in million

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Revenue as per Contract price	36.45	-
Less: Discounts and incentives	-	-
Revenue as per statement of profit and loss	36.45	-

Notes to the Financial Statements

For The Year Ended 31st March, 2020

Contract Assets & liability : ₹ in million

Particulars	For the year ended 31-03-2020	For the year ended 31-03-2019
Closing Contract Asset	13.57	-
Closing Contract Liability	-	-

- 46** The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/accounting standards or material foreseeable losses on such long-term contracts has been made in the books of accounts.
- 47** The expenditure related to issue of equity shares of the Company by way of fresh issue amounting to ₹ 160.39 million and related to private placement of compulsorily convertible preference shares amounting to ₹ 7.47 million is adjusted towards the securities premium.
- 48** The Board of the Directors of the Company at its meeting held on March 12, 2020 declared an interim dividend of ₹ 1. per equity share of ₹ 10/- each for the year ended March 31, 2020.
- 49** In view of the unprecedented COVID 19 pandemic, the management has made an assessment of its position as at the Balance Sheet date. In assessing, the company has taken into consideration external and internal information upto the date of approval of these IND AS financial results. In accordance with the Government's directive post partial lifting of the lockdown from April 23, 2020 and after receiving the necessary approvals from the respective government departments, vide our intimation letter on May 5, 2020, the Company resumed partial operations including dispatch of finished goods to our channel partners and gradually scaling up the utilization of manufacturing facilities across the nation.

As per our attached report on even date

For Khimji Kunverji & Co LLP
(formerly Khimji Kunverji & Co)
Chartered Accountants
(FRN: 105146W/ W100621)

Jayant S. Chheda
Managing Director
(DIN No : 00013206)

Parag J. Chheda
Director
(DIN No : 00013222)

Kamlesh R. Jagetia
Partner
Membership No.(F-139585)

Shyam K. Sharda
Chief Financial Officer

Place : Mumbai
Date : 25.06.2020

The Company has assessed its liquidity, assets, capital & financial resources, profitability, internal financial reporting and has concluded that there has been no material impact to its operations or its financial position.

- 50** The Company's pending litigations comprise of claims by or against the Company primarily by the workers/employees/ customers/suppliers etc., and proceedings pending with tax and other government authorities. The Company has reviewed its pending litigations and proceedings and has adequately provided for where Provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results. In respect of litigations, where the management assessment of a financial outflow is probable, the Company has made adequate provision in the financial statements and appropriate disclosure for contingent liabilities is given in Note No 34.

51 Corporate Social Responsibility:

The amount required to be spent under section 135 of the Companies Act, 2013 for the period ended March 31, 2020 is ₹ 20.89 million (March 31, 2019 ₹ 16.00 million) i.e. 2% of average net profits for last three financials years, calculated as per section 198 of the Companies Act, 2013.

The expenditure incurred on Corporate Social Responsibility activities in the Statement of Profit and Loss for the year ended March 31, 2020 is ₹ 10 million (March 31, 2019 ₹ 0.06 million).

- 52** Figures of previous years have been regrouped and re-arranged wherever necessary.

Notice of the 33rd Annual General Meeting

NOTICE is hereby given that the Thirty Third (33rd) Annual General Meeting ("AGM") of the members of Prince Pipes and Fittings Limited will be held on **Wednesday, September 23, 2020 at 11.30 a.m. IST. through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") Facility** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2020 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vipul Chheda (DIN: 00013234) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Re-appointment of Mr. Jayant Chheda (DIN: 00013206) as a Chairman and Managing Director of the Company and approval of his remuneration**

To consider and if thought fit, to pass the following resolution as a **Special Resolution** with or without modification:

"RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members be and is hereby accorded for re-appointment of Mr. Jayant Chheda (DIN: 00013206) as a Chairman and Managing Director, designated as Executive Director of the Company, for a period of three (3) years with effect from August 21, 2020 and whose office shall be liable to determination by retirement of Directors by rotation at remuneration of ₹ 14,40,000/- P.M. plus performance based incentive payable ranging from 0.25 % to 1.00% of net profit computed in the manner laid down in section 198 of the Companies Act and other perquisites as applicable, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Jayant Chheda, subject to the same not exceeding the limits specified in section 197 read with Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits for any financial year, the remuneration and perquisite as set out in the aforesaid draft Agreement shall be paid to Mr. Jayant Chheda as minimum remuneration.

RESOLVED FURTHER THAT, in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule V of the Companies Act, 2013, the Board of Directors be and hereby authorized to vary or increase the remuneration including salary, perquisites, allowances etc. within such prescribed limits or ceiling and the Agreement between the Company and Chairman and Managing Director Mr. Jayant Chheda be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in the General meeting.

RESOLVED FURTHER THAT the Board 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."

4. **Re-appointment of Mr. Parag Chheda (DIN: 00013222) as a Whole Time Director designated as a Joint Managing Director of the Company and approval of his remuneration**

To consider and if thought fit, to pass, the following resolution as a **Special Resolution** with or without modification:

"RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members be and is hereby accorded for re-appointment of Mr. Parag Chheda (DIN: 00013222) as Whole-Time Director, designated as a Joint Management Director of the Company, for a period of three (3) years with effect from August 21, 2020 and whose office shall be liable to determination by retirement of Directors by rotation at remuneration of ₹ 12,00,000/- P.M. plus performance based incentive payable ranging from 0.25 % to 1.00% of net profit computed in the manner laid down in section 198 of the Companies Act and other perquisites as applicable, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Parag Chheda, subject to the same not exceeding the limits specified in section 197

read with Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits for any financial year, the remuneration and perquisite as set out in the aforesaid draft Agreement shall be paid to Mr. Parag Chheda as minimum remuneration.

RESOLVED FURTHER THAT, in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule V of the Companies Act, 2013, the Board of Directors be and hereby authorized to vary or increase the remuneration including salary, perquisites, allowances etc. within such prescribed limits or ceiling and the Agreement between the Company and Whole-time Director Mr. Parag Chheda be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in the General meeting.

RESOLVED FURTHER THAT the Board 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."

5. Re appointment of Mr. Vipul Chheda (DIN: 00013234) as a Whole time Director of the Company and approval of his remuneration:

To consider and if thought fit, to pass, the following resolution as a **Special Resolution** with or without modification:

"RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members be and is hereby accorded for re-appointment of Mr. Vipul Chheda (DIN: 00013234) as Whole-Time Director, designated as Executive Director of the Company, for a period of three (3) years with effect from August 21, 2020 and whose office shall be liable to determination by retirement of Directors by rotation at remuneration of ₹ 10,80,000/- P.M. plus performance based incentive payable ranging from 0.25 % to 1.00% of net profit computed in the manner laid down in section 198 of the Companies Act and other perquisites as applicable, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem

fit and as may be acceptable to Mr. Vipul Chheda, subject to the same not exceeding the limits specified in section 197 read with Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits for any financial year, the remuneration and perquisite as set out in the aforesaid draft Agreement shall be paid to Mr. Vipul Chheda as minimum remuneration.

RESOLVED FURTHER THAT, in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule V of the Companies Act, 2013, the Board of Directors be and hereby authorized to vary or increase the remuneration including salary, perquisites, allowances etc. within such prescribed limits or ceiling and the Agreement between the Company and Whole-time Director Mr. Vipul Chheda be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in the General meeting.

RESOLVED FURTHER THAT the Board 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."

6. To ratify related party transaction in respect to hold office or place of profit in the Company by Mrs. Heena Chheda

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution** with or without modification:

"RESOLVED THAT pursuant to Section 188 (1) (f) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 ("Act") (including any statutory modification(s) or re-enactments thereof for the time being in force), the transaction entered into by the Company with Mrs. Heena Chheda being related party as mentioned in item no.6 of an explanatory statement, be and is hereby ratified up to September 30, 2020 and approved.

RESOLVED FURTHER THAT pursuant to recommendation of the Nomination and Remuneration Committee, Audit committee and pursuant the provisions of Section 188 (1) (f) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 ("Act") (including any statutory modification(s) or re-enactments thereof for the time being in force), the consent of the members be and is hereby accorded for Mrs. Heena Chheda, being related party, to continue to hold an office or place of profit in the company

and to pay her the monthly salary not exceeding such sum as mentioned in item no.6 of an explanatory statement.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to this resolution."

7. To ratify related party transaction in respect to hold office or place of profit in the Company by Mr. Nihar Chheda

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution** with or without modification:

"RESOLVED THAT pursuant to Section 188 (1) (f) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 ("Act") (including any statutory modification(s) or re-enactments thereof for the time being in force), the transaction entered into by the Company with Mr. Nihar Chheda, being related party as mentioned in item no. 7 of an explanatory statement, be and is hereby ratified up to September 30, 2020 and approved.

RESOLVED FURTHER THAT pursuant to recommendation of the Nomination and Remuneration Committee, Audit committee and pursuant the provisions of Section 188 (1) (f) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 ("Act") (including any statutory modification(s) or re-enactments thereof for the time being in force), the consent of the members be and is hereby accorded for Mr. Nihar Chheda, being related party, to continue to hold an office or place of profit in the company and to pay him the monthly salary not exceeding such sum as mentioned in item no. 7 of an explanatory statement.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to this resolution."

8. Re-appointment of Mr. Ramesh Chandak (DIN: 00026581) as an Independent Director of the Company

To consider and if thought fit, to pass the following resolution as a **Special Resolution** with or without modification:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013("the Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors)

Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Ramesh Chandak (DIN: 00026581), who holds office of Independent Director up to September 15, 2020 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, signifying his intention to propose Mr. Ramesh Chandak's candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of three (3) consecutive years commencing from September 16, 2020 up to September 15, 2023.

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

9. Re-appointment of Mr. Mohinder Pal Bansal (DIN: 01626343) as an Independent Director of the Company

To consider and if thought fit, to pass the following resolution as a **Special Resolution** with or without modification:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013("the Act") read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Mohinder Pal Bansal (DIN: 01626343), who holds office of Independent Director up to September 15, 2020 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, signifying his intention to propose Mr. Mohinder Pal Bansal's candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of three (3) consecutive years commencing from September 16, 2020 up to September 15, 2023.

“RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

10. Re-appointment of Mrs. Uma Mandavgane (DIN: 03156224) as an Independent Director of the Company

To consider and if thought fit, to pass the following resolution as a **Special Resolution** with or without modification:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mrs. Uma Mandavgane (DIN: 03156224), who holds office of Independent Director up to September 15, 2020 and who has submitted a declaration that she meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, signifying his intention to propose Mrs. Uma Mandavgane’s candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of 3 (three) consecutive years commencing from September 16, 2020 up to September 15, 2023.

“RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

11. Appointment of Mr. Rajendra Gogri (DIN: 00061003) as an Independent Director of the Company:

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution** with or without modification:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule IV of the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the

Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Rajendra Gogri (DIN: 00061003), who was appointed as an Additional Independent Director of the Company by the Board of Directors with effect from June 25, 2020 and whose term of office expires at this Annual General Meeting (“AGM”) and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, signifying his intention to propose Mr. Rajendra Gogri’s candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of three (3) consecutive years commencing from June 25, 2020 up to June 24, 2023.

“RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

12. Appointment of Mr. Satish Chavva (DIN: 03615175) as a (Non-Executive) Nominee Director of the Company:

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution** with or without modification:

“RESOLVED THAT pursuant to the provisions of Sections 161, 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mr. Satish Chavva (DIN: 03615175), who was appointed as an Additional Non-Executive Director of the Company as a nominee of Joint Oman India Fund by the Board of Directors with effect from June 25, 2020 and whose term of office expires at this Annual General Meeting (“AGM”) and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, signifying his intention to propose Mr. Satish Chavva’s candidature for the office of Director, be and is hereby appointed as a Nominee Director of the Company.

“RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

13. To ratify the payment of remuneration to the Cost Auditors for the Financial Year 2020-21:

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution** with or without modification:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force), the remuneration payable to Ketki D. Visariya, Cost Accountant (Fellow Membership No. 16028), appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2021, amounting to ₹ 3,30,000 (Rupees Three Lakhs Thirty Thousand only) excluding travelling and other out-of-pocket expenses be ratified and confirmed.

RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

14. Alteration of the Articles of Association of the Company :

To consider and if thought fit, to pass the following resolution as a **Special Resolution** with or without modification:

“RESOLVED THAT pursuant to Section 14 and other applicable provision of the Companies Act, 2013 and rules thereunder, and any other provisions as may be applicable (including any statutory modifications or re-enactment if any thereof for the time being in force), the draft Articles of Association of the Company placed before the members at this meeting and duly initialed by the Chairman for the purpose of identification be and are hereby approved, by way of a special resolution and adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing restated Articles of Association of the Company.

RESOLVED FURTHER THAT any of the Directors of the Company, be and are hereby authorized to sign and file necessary forms and documents with the jurisdictional

Registrar of Companies and other statutory authorities and to do all acts, matters, deeds and things and to execute all documents and to take all steps and give such directions, as may be necessary, required, expedient or desirable in connection with or incidental for giving effect to the above resolutions, and to comply with all other requirements in this regard.”

15. Keeping registers, returns etc at registered office/other place:

To consider and if thought fit, to pass the following resolution as a **Special Resolution** with or without modification:

“RESOLVED THAT pursuant to the provisions of Section 94 of the Companies Act, 2013 and Rules made thereunder and other applicable provisions, if any, consent of the Company be and is hereby accorded to the Company for keeping the Register and Index of members of the Company along with share transfer books and copies of all the annual returns prepared by the Company together with the copies of all certificates and documents required to be annexed or attached thereto , at a place other than the Registered Office of the Company being the office of Company’s Share Transfer Agent M/s Link Intime India Private Limited having its office at C 101, 247 Park, LBS Rd, Surya Nagar, Gandhi Nagar, Vikhroli West, Mumbai, Maharashtra 400083.

RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and is hereby authorized severally to do all such acts, deeds and things as may require to implement this resolution.”

16. Approval to deliver document through a particular mode as may be sought by the member:

To consider and if thought fit, to pass the following resolution as a **Special Resolution** with or without modification:

“RESOLVED THAT pursuant to Section 20 of the Companies Act, 2013 and the Rules made thereunder (hereinafter referred to as ‘the Act’), consent of the Company be and is hereby accorded to the Board of Directors of the Company to serve document(s) on Member(s) of the Company by post or by registered post or by speed post or by courier or by delivering at their address, or by such electronic or other mode prescribed under the Act and desired by Member(s), from time to time.

RESOLVED FURTHER THAT upon request of Member(s) for delivery of any document(s) through a particular mode, the Company do serve the same to the Member(s) through that particular mode and/ or charge such fees which shall

not be more than the amount charged to the Company by the Department of Post or the Service Provider(s) including related handling charges, if any, to deliver the documents in a particular mode.

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

By Order of the Board of Directors
For Prince Pipes and Fittings Limited

Sd/-
Jayant Chheda
Chairman and Managing Director

Place: Mumbai
Date: July 31, 2020

IMPORTANT NOTES:

1. The explanatory statement setting out the material facts relating to the special business to be transacted at the meeting pursuant to Section 102(1) of the Companies Act, 2013 is annexed hereto. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, in respect of Directors seeking appointment/ re-appointment at the Annual General Meeting is annexed as **Annexure A** to the Notice.
2. **General instructions for accessing and participating in the 33rd AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting:**
 - a) In view of the outbreak of the COVID-19 pandemic for maintaining social distancing norms and pursuant to the General Circular Nos 14/2020 , 17/2020 and 20/2020 dated April 08, 2020, April 13, 2020 and May 05, 2020, respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") permitted the holding of AGM through VC/OAVM, without the physical presence of the members at a common venue. Accordingly, the 33rd AGM of the Company will be convened through VC/OAVM in compliance with the provisions of the Companies Act, 2013 and Rules made thereunder and Listing Regulations.
 - b) In terms of the MCA Circulars since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 33rd AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-Voting, for participation in the 33rd AGM through VC/OAVM Facility and e-Voting during the 33rd AGM.
 - c) In line with the MCA Circulars and SEBI Circular, the Notice of the 33rd AGM will be available on the website of the Company at www.princepipes.com, on the website of BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com and also on the website of NSDL at www.evoting.nsd.com.
 - d) Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.
 - e) National Securities Depositories Limited ("NSDL") will be providing facility for voting through remote e-Voting, for participation in the 33rd AGM through VC/OAVM Facility and e-Voting during the 33rd AGM.
 - f) Members may join the 33rd AGM through VC/OAVM facility by following the procedure as mentioned below which shall be kept open for the Members from 11:00 a.m. IST i.e. 30 minutes before the time scheduled to start the 33rd AGM and the Company may close the window for joining the VC/OAVM Facility 30 minutes after the scheduled time to start the 33rd AGM.
 - g) Members may note that the VC/OAVM Facility, provided by NSDL, allows participation of at least 1,000 Members on a on a first-come-first-served basis. The large shareholders (i.e. 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. can attend the 33rd AGM without any restriction on account of first-come first-served principle.
 - h) Attendance of the Members participating in the 33rd AGM through VC/OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
 - i) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of Listing Regulations read with MCA Circulars and SEBI Circular, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the 33rd AGM and facility for those Members participating in the 33rd AGM to cast vote through e-Voting system during the 33rd AGM.
3. **Instructions for members for remote e-voting are as under:-**

The remote e-voting period will commence on Sunday, September 20, 2020 at 09:00A.M. IST and ends on Tuesday, September 22, 2020 at 05:00P.M. IST. During this period, Members of the Company, holding shares as on the cut-off date of September 16, 2020, may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

- a) A person who is not a Member as on the cut-off date should treat this Notice of 33rd AGM for information purpose only.
- b) The details of the process and manner for remote e-Voting are explained herein below

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsd.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

- I. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a Personal Computer or on a mobile.
- II. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- III. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing ID as login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2, i.e. Cast your vote electronically.

IV. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

V. Your password details are given below:

- i. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- ii. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- iii. How to retrieve your 'initial password'?
 - a) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - b) If your email ID is not registered, please follow steps mentioned below in process for those members whose email ids are not registered.

VI. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password click on:

- i. "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsd.com.
- ii. "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsd.com.
- iii. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
- iv. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

VII. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

- VIII. Now, you will have to click on "Login" button.
- IX. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

- I. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- II. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- III. Select "EVEN" of the Company.
- IV. Now you are ready for e-Voting as the Voting page opens.
- V. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and "Confirm" when prompted.
- VI. Upon confirmation, the message "Vote cast successfully" will be displayed.
- VII. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- VIII. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

4. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

- a) In case shares are held in physical mode please provide 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) by email to investor@princepipes.com.
- b) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), 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 investor@princepipes.com.

5. Instructions for Members for e-voting during the 33rd AGM are as under:

- a) Members may follow the procedure for e-Voting during the 33rd AGM as mentioned above for remote e-voting.
- b) Only those Members who will be present in the 33rd AGM through VC/OAVM 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 in the EGM/AGM.
- c) Members who have voted through Remote e-Voting will be eligible to attend the 33rd AGM. However, they will not be eligible to vote at the AGM.
- d) The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the 33rd AGM shall be the same person mentioned for Remote e-voting.

6. Instruction for Members for Participating in the 33rd AGM through VC/OAVM are as under:

- a) Member will be provided with a facility to attend the 33rd AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.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 EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
- b) Members are encouraged to join the Meeting through Laptops for better experience.
- c) Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d) 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.

- e) Members can submit questions in advance with regard to the financial statements or any other matter to be placed at the 33rd AGM, from their registered email address, mentioning their name, DP ID and Client ID number /folio number and mobile number, to reach the Company's email address at investor@princepipes.com at least 7 days before AGM. Such questions by the Members shall be taken up during the meeting and replied by the Company suitably.
- f) Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at investor@princepipes.cm from Thursday, September 17, 2020 (9:00 A.M. IST) to Saturday, September 19, 2020 (5:00 P.M. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

7. Other Guidelines for shareholders

- a) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to sanjayrd65@gmail.com with a copy marked to evoting@nsdl.co.in.
- b) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsd.com to reset the password.
- c) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsd.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in. or contact Mr. Amit Vishal, Senior Manager or Ms Pallavi Mhatre Manager, National Securities Depository Ltd., Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email IDs: evoting@nsdl.co.in or AmitV@nsdl.co.in or pallavid@nsdl.co.in or at telephone nos. : +91-22-24994360 or +91-99202 64780 or +91-22-24994545 who will also address the grievances connected with the voting by electronic means. Members may also write to the Company Secretary at the Company's email address investor@princepipes.com.
- d) The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 17, 2020 to Wednesday, September 23, 2020 (both days inclusive).
- e) Mr. Sanjay Dholakia , Practicing Company Secretary (CPNo. 1798), Proprietor of M/s. Sanjay Dholakia & Associates has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and casting vote through the e-Voting system during the meeting in a fair and transparent manner.
- f) During the 33rd AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the 33rd AGM, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the 33rd AGM and announce the start of the casting of vote through the e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be closed with the formal announcement of closure of the 33rd AGM.
- g) The Scrutinizer shall after the conclusion of e-Voting at the 33rd AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him, within 48 (forty eight) hours from the conclusion of the 33rd AGM, who shall then countersign and declare the result of the voting forthwith.
- h) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.princepipes.com and on the website of NSDL at www.evoting.nsd.com immediately after the declaration of Results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.

- i) Pursuant to the MCA Circulars and SEBI Circular, in view of the prevailing situation, owing to the difficulties involved in dispatching of physical copies of the Notice of the 33rd AGM and the Annual Report for the year 2019 -20 including therein the Audited Financial Statements for year 2019-20, are being sent only by email to the Members. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 33rd AGM and the Annual Report for the year 2019-20 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:-
- ❖ For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company's email address investor@princepipes.com
 - ❖ For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.
- j) 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 the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection. In electronic mode.
- k) The Notice of the 33rd AGM and the Annual Report for the year 2019-20 including therein the Audited Financial Statements for the year 2019-20, will be available on the website of the Company at www.princepipes.com and the website of BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively. The Notice of 33rd AGM will also be available on the website of NSDL at www.evoting.nsdl.com.
- l) Members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
- m) Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in dematerialized form should inform their Depository Participant their PAN details along with proof thereof.
- n) In case of joint holders attending the Annual General Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

EXPLANATORY STATEMENT SETTING OUT THE MATERIAL FACTS CONCERNING AND RELATING TO THE SPECIAL BUSINESS TO BE TRANSACTED AT THE MEETING PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

IN RESPECT OF ITEM NO 3:

The Members of the Company in its meeting held on September 26, 2017 had reappointed Mr. Jayant Chheda as Managing Director of the Company for a period of three (3) years effective from August 21, 2017 to August 20, 2020. In view of this and based on the recommendation of Nomination and Remuneration Committee, the Board of Directors has re-appointed Mr. Jayant Chheda (DIN: 00013206) as Managing Director of the Company for a term of three (3) years effective from August 21, 2020 to August 20, 2023, subject to approval of the Members.

The material terms of remuneration are as follows:

Remuneration:

- (a) Salary: ₹ 14,40,000/- per month.
- (b) Allowances: Such as House Rent, Furniture, Electricity, Motor Car, Driver and any other allowance as per the rules of the company and payable every month or annually.
- (c) Incentive: Performance based incentive on following criteria:
 - i. If PBT of financial year 2021 is 10% over financial year 2020 = 1.00% of net profit computed in the manner laid down in section 198 of the Companies Act.
 - ii. If PBT of financial year 2021 is 5% over financial year 2020 = 0.75% of net profit computed in the manner laid down in section 198 of the Companies Act.
 - iii. If PBT of financial year 2021 is equal to financial year 2020 = 0.50% of net profit computed in the manner laid down in section 198 of the Companies Act.
 - iv. If PBT of financial year 2021 is not less than 90% over financial year 2020 = 0.25% of net profit computed in the manner laid down in section 198 of the Companies Act.

(d) Perquisites:

Category -A

He will be entitled to various perquisites including Medical Reimbursement, Leave Travel Concession, Club Fees, Personal Accident Insurance, Medical Insurance

in accordance with the rules of the Company. The aforesaid perquisites may be in the form of allowances or reimbursement. The aforesaid perquisites will be restricted to aggregate of annual salary and allowances as mentioned in (a) and (b) above.

Category – B

The Company's contribution to Provident Fund, Superannuation Fund and Annuity Fund, benefits of the Pension and Gratuity Scheme, Leave entitlement, Earned Leave and Encashment of earned leave and long service awards, will be in accordance with the Rules and Regulations of the Company and will be allowed in addition to Salary.

Category – C

Car for company's business, telephone and communication facilities at residence.

- (e) Reimbursement of Expenses: Reimbursement of travelling, entertainment and other expenses incurred by him during the course of the business of the Company.
- (f) Termination Clause: The appointment shall be terminable by either party i.e. by the Company or by Managing Director by giving three months' notice.

Minimum Remuneration:

Notwithstanding anything mentioned here in, where in any financial year during the currency of the tenure of the appointment of Mr. Jayant Chheda, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified above.

Pursuant to the provisions of the Companies Act, 2013, Mr. Jayant Chheda shall be liable to retire by rotation and shall also be Key Managerial Personnel of the Company.

The relevant complete resolution passed by the Board of Directors, the draft of the agreement are available for inspection by the Members at the Registered office of the Company on any working day (except Sundays and Public Holidays) between 11 a.m. and 3.00 p.m. up to the date of the Annual General Meeting.

Brief profile: Mr. Jayant Chheda, aged 74 years, is the Chairman and Managing Director of our Company. He has been associated with our Company since incorporation as a Director. He has passed the Senior Secondary Certificate Examination. He has over three decades of experience in the plastic industry. He was awarded the 'Lifetime Achievement Award' at the Vinyl India Conference, 2014.

The extracts of remuneration given above shall be deemed to be the extracts of remuneration required to be furnished under Section 190 of the companies Act, 2013.

The Board of Directors recommends the resolution set out in item No. 3 to be passed as a Special Resolution.

Except Mr. Jayant Chheda, Mr. Parag Chheda, Mr. Vipul Chheda and their relatives, none of the other Directors or Key Managerial Personnel or their relatives are concerned or interested in the nature of, financial or otherwise with respect to Agenda Item No 3, except to the extent of their shareholding in the Company.

IN RESPECT OF ITEM NO 4:

The Members of the Company in its meeting held on September 26, 2017 had reappointed Mr. Parag Chheda as Whole-Time Director of the Company for a period of three (3) years effective from August 21, 2017 to August 20, 2020. In view of this and based on the recommendation of Nomination and Remuneration Committee, the Board of Directors has re-appointed Mr. Parag Chheda (DIN: 00013222) as Whole-Time Director of the Company designated as a Joint Managing Director for a term of 3 years effective from August 21, 2020 to August 20, 2023, subject to approval of the Members.

The material terms of remuneration are as follows:

Remuneration:

- (a) Salary: ₹ 12,00,000/- per month.
- (b) Allowances: Such as House Rent, Furniture, Electricity, Motor Car, Driver and any other allowance as per the rules of the company and payable every month or annually.
- (c) Incentive: Performance based incentive on following criteria:
 - i. If PBT of financial year 2021 is 10% over financial year 2020 = 1.00% of net profit computed in the manner laid down in section 198 of the Companies Act.
 - ii. If PBT of financial year 2021 is 5% over financial year 2020 = 0.75% of net profit computed in the manner laid down in section 198 of the Companies Act.
 - iii. If PBT of financial year 2021 is equal to financial year 2020 = 0.50% of net profit computed in the manner laid down in section 198 of the Companies Act.

- iv. If PBT of financial year 2021 is not less than 90% over financial year 2020 = 0.25% of net profit computed in the manner laid down in section 198 of the Companies Act.

(d) Perquisites:

Category -A

He will be entitled to various perquisites including Medical Reimbursement, Leave Travel Concession, Club Fees, Personal Accident Insurance, Medical Insurance in accordance with the rules of the Company. The aforesaid perquisites may be in the form of allowances or reimbursement. The aforesaid perquisites will be restricted to aggregate of annual salary and allowances as mentioned in (a) and (b) above.

Category – B

The Company's contribution to Provident Fund, Superannuation Fund and Annuity Fund, benefits of the Pension and Gratuity Scheme, Leave entitlement, Earned Leave and Encashment of earned leave and long service awards, will be in accordance with the Rules and Regulations of the Company and will be allowed in addition to Salary.

Category – C

Telephone and communication facilities at residence.

- (e) Reimbursement of Expenses: Reimbursement of travelling, entertainment and other expenses incurred by him during the course of the business of the Company.
- (f) Termination Clause: The appointment shall be terminable by either party i.e. by the Company or by Whole-Time Director by giving three months' notice.

Minimum Remuneration:

Notwithstanding anything mentioned here in, where in any financial year during the currency of the tenure of the appointment of Mr. Parag Chheda, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified above.

Pursuant to the provisions of the Companies Act, 2013, Mr. Parag Chheda shall be liable to retire by rotation and shall also be Key Managerial Personnel of the Company.

The relevant complete resolution passed by the Board of Directors, the draft of the agreement are available for inspection by the Members at the Registered office of the Company on any working day (except Sundays and Public Holidays) between 11 a.m. and 3.00 p.m. up to the date of the Annual General Meeting.

Brief profile: Mr. Parag Chheda, aged 49 years, is an Executive Director of our Company. He has been associated with our Company since April 27, 1996 as a Director. He holds an associate degree in business administration from Oakland Community College. He has over 24 years of experience in the piping industry. He was awarded the 'Inspiring Business Leader Award' at the Economic Times Summit, 2016 for the 'Business and Industry' sector.

The extracts of remuneration given above shall be deemed to be the extracts of remuneration required to be furnished under Section 190 of the companies Act, 2013.

The Board of Directors recommends the resolution set out in item No. 4 to be passed as a Special Resolution.

Except Mr. Parag Chheda, Mr. Jayant Chheda, Mr. Vipul Chheda and their relatives, none of the other Directors or Key Managerial Personnel or their relatives are concerned or interested in the nature of, financial or otherwise with respect to Agenda Item No 4, except to the extent of their shareholding in the Company.

IN RESPECT OF ITEM NO 5:

The Members of the Company in its meeting held on September 26, 2017 had reappointed Mr. Vipul Chheda as Whole-Time Director of the Company for a period of three (3) years effective from August 21, 2017 to August 20, 2020. In view of this and based on the recommendation of Nomination and Remuneration Committee, the Board of Directors has re-appointed Mr. Vipul Chheda (DIN: 00013234) as Whole-Time Director of the Company for a term of three (3) years effective from August 21, 2020 to August 20, 2023, subject to approval of the Members.

The material terms of remuneration are as follows:

Remuneration:

- (a) Salary: ₹ 10,80,000/- per month.
- (b) Allowances: Such as House Rent, Furniture, Electricity, Motor Car, Driver and any other allowance as per the rules of the company and payable every month or annually.
- (c) Incentive: Performance based incentive on following criteria:
 - i. If PBT of financial year 2021 is 10% over financial year 2020 = 1.00% of net profit computed in the manner laid down in section 198 of the Companies Act.
 - ii. If PBT of financial year 2021 is 5% over financial year 2020 = 0.75% of net profit computed in the manner laid down in section 198 of the Companies Act.
 - iii. If PBT of financial year 2021 is equal to financial year 2020 = 0.50% of net profit computed in the manner laid down in section 198 of the Companies Act.
 - iv. If PBT of financial year 2021 is not less than 90% over financial year 2020 = 0.25% of net profit computed in the manner laid down in section 198 of the Companies Act.

(d) Perquisites:

Category -A

He will be entitled to various perquisites including Medical Reimbursement, Leave Travel Concession, Club Fees, Personal Accident Insurance, Medical Insurance in accordance with the rules of the Company. The aforesaid perquisites may be in the form of allowances or reimbursement. The aforesaid perquisites will be restricted to aggregate of annual salary and allowances as mentioned in (a) and (b) above.

Category – B

The Company's contribution to Provident Fund, Superannuation Fund and Annuity Fund, benefits of the Pension and Gratuity Scheme, Leave entitlement, Earned Leave and Encashment of earned leave and long service awards, will be in accordance with the Rules and Regulations of the Company and will be allowed in addition to Salary.

Category – C

Telephone and communication facilities at residence.

- (e) Reimbursement of Expenses: Reimbursement of travelling, entertainment and other expenses incurred by him during the course of the business of the Company.
- (f) Termination Clause: The appointment shall be terminable by either party i.e. by the Company or by Whole-time Director by giving three months' notice.

Minimum Remuneration:

Notwithstanding anything mentioned here in, where in any financial year during the currency of the tenure of the appointment of Mr. Vipul Chheda, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified above.

Pursuant to the provisions of the Companies Act, 2013, Mr. Vipul Chheda shall be liable to retire by rotation and shall also be Key Managerial Personnel of the Company.

The relevant complete resolution passed by the Board of Directors, the draft of the agreement are available for inspection by the Members at the Registered office of the Company on any working day (except Sundays and Public Holidays) between 11 a.m. and 3.00 p.m. up to the date of the Annual General Meeting.

Brief profile: Mr. Vipul Chheda, aged 45 years, is an Executive Director of our Company. He has been associated with our Company since March 11, 1997 as a Director. He holds a higher secondary certificate from the Maharashtra State Board of Secondary and Higher Secondary Education. He has over 23 years of experience in the piping industry.

The extracts of remuneration given above shall be deemed to be the extracts of remuneration required to be furnished under Section 190 of the companies Act, 2013.

The Board of Directors recommends the resolution set out in item No.5 to be passed as a Special Resolution.

Except Mr. Vipul Chheda, Mr. Parag Chheda, Mr. Jayant Chheda and their relatives, none of the other Directors or Key Managerial Personnel or their relatives are concerned or interested in the nature of, financial or otherwise with respect to Agenda Item No 5, except to the extent of their shareholding in the Company.

IN RESPECT OF ITEM NO 6:

Pursuant to recommendation of the Nomination and Remuneration Committee, Audit committee, provisions of Section 188 (1) (f) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 ("Act") (including any statutory modification(s) or re-enactments thereof for the time being in force), The board of directors of the company at its Meeting held on July 31, 2020 have ratified and accorded its approval to hold an office or place of profit by Mrs. Heena Chheda, being a related party for a period of three (3) years effective from October 01, 2020 to September 30, 2023 in the Company. The Details of salary and other terms and conditions of salary payable from the Company are given below:

- (a) Existing Salary includes basic salary, HRA and other allowances ₹ 5,50,000/- per month
- (b) Other Perquisites: She will be entitled to other perquisites including company's contribution to provident fund, bonus

and leave travel concession in accordance with the rules of the Company.

The Board of Directors recommends the resolution set out in item No. 6 to be passed as an Ordinary Resolution.

Except Mrs. Heena Chheda, Mr. Jayant Chheda, Mr. Parag Chheda, Mr. Vipul Chheda and her relatives, none of the other Directors or Key Managerial Personnel or their relatives are concerned or interested in the nature of, financial or otherwise with respect to Agenda Item No 6, except to the extent of their shareholding in the Company. Mrs. Heena Chheda holds 12,616 shares in the Company.

IN RESPECT OF ITEM NO 7:

Pursuant to recommendation of the Nomination and Remuneration Committee, Audit committee, provisions of Section 188 (1) (f) and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 ("Act") (including any statutory modification(s) or re-enactments thereof for the time being in force), The board of directors of the company at its Meeting held on July 31, 2020 have ratified and accorded its approval to hold an office or place of profit by Mr. Nihar Chheda, being a related party for a period of three years effective from October 01, 2020 to September 30, 2023 in the Company. The Details of salary and other terms and conditions of salary payable from the Company are given below:

- (a) Existing Salary includes basic salary, HRA and other allowances ₹ 3,91,707/- per month
- (b) Other Perquisites: He will be entitled to other perquisites including company's contribution to provident fund, bonus and leave travel concession in accordance with the rules of the Company.

The Board of Directors recommends the resolution set out in item No. 7 to be passed as an Ordinary Resolution.

Except Mr. Nihar Chheda, Mr. Jayant Chheda, Mr. Parag Chheda, Mr. Vipul Chheda and his relatives, none of the other Directors or Key Managerial Personnel or their relatives are concerned or interested in the nature of, financial or otherwise with respect to Agenda Item No 7, except to the extent of their shareholding in the Company. Mr. Nihar Chheda does not hold shares in the Company.

IN RESPECT OF ITEM NO 8 TO ITEM NO 10:

Mr. Ramesh Chandak, Mr. Mohinder Pal Bansal & Mrs. Uma Mandavgane were appointed as an Independent Director of the

company pursuant to Section 149 of the Companies Act, 2013 ("the Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014, by the Shareholders at the Annual General Meeting held on August 20, 2018 to hold office up to September 15, 2020 ("first term" as per the explanation to Section 149(10) and 149(11) of the Act.)

The Nomination & Remuneration Committee at its Meeting held on July 31, 2020 after taking into account the performance evaluation of these Independent Directors, during their first term of three years and considering the knowledge, acumen, expertise and experience in their respective fields and the substantial contribution made by these Directors during their tenure as an Independent Director since their appointment, has recommended to the Board that continued association of these Directors as an Independent Directors would be in the interest of the Company. Based on the above, the Nomination & Remuneration Committee and the Board has recommended the re-appointment of these Directors as Independent Directors on the Board of the Company, to hold office for the second term of three (3) consecutive years commencing from September 16, 2020 up to September 15, 2023 and not liable to retire by rotation.

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Mr. Ramesh Chandak, Mr. Mohinder Pal Bansal and Mrs. Uma Mandavgane for their appointment to the office of Independent Directors.

Brief profile of the above Independent Directors is as under:

Mr. Ramesh Chandak

Mr. Ramesh Chandak, aged 73 years, is an Independent Director of our Company. He is a Chartered Accountant by qualification. He is the CEO of RDC Business Advisory, which provides individualised leadership coaching, strategy, succession planning and management services. Prior to starting his Advisory practice, he had a successful career spanning over 40 years across manufacturing & infrastructure industries in India, Malaysia and USA. He currently serves on the Boards of several listed companies and is a Senior Advisor to McKinsey & Co. He is a recipient of CA Business leader Award in 2008 by the Institute of Chartered Accountants of India. He is a former President of Indian Electrical & Electronics Manufacturers Association.

Mr. Mohinder Pal Bansal

Mr. Mohinder Pal Bansal, aged 63 years, is an Independent Director of our Company. He is a Chartered Accountant by qualification. He has more than 25 years of experience in Mergers & Acquisitions, Strategic Advising, Capital Markets, Company Portfolio Integration as well as post acquisition performance

management in India, Asia and Europe – He is currently on board of several corporate bodies such as Blacksoil Capital Pvt. Ltd., Allcargo Logistics Limited and others.

Mrs. Uma Mandavgane

Mrs. Uma Mandavgane, aged 50 years, is an Independent Director of our Company. She is a Chartered Accountant and Certified Information Systems Auditor. She is a professional with experience spanning 28 years in Corporate Finance Management and Risk Advisory Consulting and had held senior position in Big 4 consulting firm. Currently Uma has an independent practice providing Business and Technology Risk in Information Systems Security domain and Data Analytics in Internal Audits.

The Board of Directors recommends the resolution set out in item No. 8 to Item No.10 to be passed as a Special Resolution.

Except Mr. Ramesh Chandak, Mr. Mohinder Pal Bansal and Mrs. Uma Mandavgane and their relatives, none of the other Directors or Key Managerial Personnel or their relatives are concerned or interested in the nature of, financial or otherwise with respect to Agenda Item No 08 to Item no 10, except to the extent of their shareholding in the Company.

IN RESPECT OF ITEM NO.11:

Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company have appointed Mr. Rajendra Gogri as an Additional Director in the capacity of Non-Executive Independent Director of the Company to hold office for a period from June 25, 2020 to June 24, 2023, not liable to retire by rotation, subject to consent of the Members of the Company at the ensuing AGM.

As an Additional Director, Mr. Rajendra Gogri holds office till the date of the AGM and is eligible for being appointed as an Independent Director. The Company has received necessary declaration(s) from Mr. Gogri confirming that he meets the criteria as prescribed under the Companies Act, 2013 (the Act) and SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 (Listing Regulations).

Mr. Gogri is not disqualified from being appointed as a Director under provisions of Section 164 of the Companies Act, 2013, nor debarred from holding the office of director by virtue of any SEBI order or any other such authority and has given his consent to act as a Director of the Company.

Profile:

Mr. Gogri holds a Master's degree in Chemical Engineering from Iowa University, USA, and is a rank holder from UDCT Institute,

Mumbai. In addition to his technical expertise, he is adept at handling financial and commercial matters as well. Mr. Gogri has been awarded the prestigious 'Distinguished Alumnus Award' from UDCT in 1995 for excellent performance as an 'Entrepreneur in Chemical Industry'. He was recently honoured with the 'Huron Most Respected Entrepreneur of the Year – India' award in the year 2019. In the same year, he was also presented by Indian Chemical Council with the 'Lala Shriram National Award' for the leadership in the chemical industry. He is the Chairman and Managing Director of Aarti Industries Limited.

In the opinion of the Board, Mr. Gogri fulfils the conditions for his appointment as an Independent Director as specified in the Act and Listing Regulations and is independent of the management.

Your Board believes that Mr. Gogri's induction on the Board will support in broadening the overall expertise of the Board and will bring wide experience particularly in the areas of corporate governance and various laws.

A copy of the appointment letter, setting out his terms and conditions of appointment is available on the website of the Company at www.princepipes.com and will be available for inspection by the Members at the Registered office of the Company on any working day (except Sundays and Public Holidays) between 11 a.m. and 3.00 p.m. up to the date of the Annual General Meeting.

The Board of Directors recommends the resolution set out in Item No.11 to be passed as a Ordinary Resolution.

Except Mr. Gogri and his relatives, none of the other Directors or Key Managerial Personnel or their relatives are concerned or interested in the nature of, financial or otherwise with respect to Agenda Item 11, except to the extent of their shareholding in the Company.

IN RESPECT OF ITEM NO.12:

Joint Oman India Fund II has nominated Mr. Satish Chavva on the Board of Prince Pipes and Fittings Limited as a Nominee Director. Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company have appointed Mr. Satish Chavva as an Additional Director in the capacity of Non-Executive Nominee Director of the Company with effect from June 25, 2020, not liable to retire by rotation, subject to consent of the Members of the Company at the ensuing Annual General Meeting .

As an Additional Director, Mr. Satish Chavva holds office till the date of the AGM and is eligible for being appointed as a Non- Executive Nominee Director. The Company has received necessary declaration(s) from Mr. Chavva as prescribed under the Companies Act, 2013 (the Act).

Mr. Chavva is not disqualified from being appointed as a Director under provisions of Section 164 of the Companies Act, 2013, nor debarred from holding the office of director by virtue of any SEBI order or any other such authority and has given his consent to act as a Director of the Company.

Profile

Satish Chavva has over 20 years of experience including 14 years in Private Equity. Prior to working in private equity, he worked as an Investment Banker with Citigroup in London. He has also worked with IBM in London and Trilogy in Austin (Texas). He has an MBA from INSEAD, MS from University of Texas at Austin and B.Tech from Indian Institute of Technology Bombay. He is a Director - Investment with Oman India Joint Investment Fund.

The Board of Directors recommends the resolution set out in Item No.12 to be passed as an Ordinary Resolution.

Except Mr. Satish Chavva and his relatives, none of the other Directors or Key Managerial Personnel or their relatives are concerned or interested in the nature of, financial or otherwise with respect to Agenda Item 12, except to the extent of their shareholding in the Company.

IN RESPECT OF ITEM NO. 13:

The Board on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company across various segments, for the financial year ending March 31, 2021 as per the following details:

Sr. No	Name of the Cost Auditor	Industry	Fees
1	Ketki D. Visariya	Plastic products	₹ 3,30,000 excluding travelling and other out of pocket expenses.

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

Accordingly, ratification by the members is sought to the remuneration payable to the Cost Auditors for the financial year ending March 31, 2021 by passing an Ordinary Resolution as set out at Item No. 13 of the Notice.

The Board of Directors recommends the resolution set out in Item No. 13 to be passed as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel or their relatives are concerned or interested in the nature of, financial or otherwise with respect to Agenda Item 13, except to the extent of their shareholding in the Company.

IN RESPECT OF ITEM NO 14

Pursuant to the provisions of Companies Act, 2013, approval of the members, by way of a special resolution, in the general meeting is necessary for the proposed adoption of Article of Association of the Company.

The existing Articles of Association ("AOA") are based on the shareholders' agreement and the investor framework agreement, both dated November 20, 2019, executed by and between, inter alia, the Company, South Asia Growth Fund II Holdings LLC and South Asia EBT Trust represented by Orbis Capital Limited in its capacity as trustee (together, the "Investors"). With the termination of the investor framework agreement and listing of the equity shares of the Company on the BSE Limited and the National Stock Exchange of India Limited and pursuant to the consummation of the initial public offering by the Company, Part C (Framework Articles) of the existing AOA of the Company along with several articles under Part A and Part B of the existing AOA of the Company are required to be removed. A few other articles under Part A and Part B in the AOA need to be amended/modified in tune with the removal of Part C and several articles under Part A and Part B of the AOA. Given this position, only the rights of the Investors in relation to appointment of investor nominee directors and observer and article related to termination are to be retained under Part B of the existing AOA. The details of modification proposed are annexed as **Annexure B** to the notice.

The Board of Directors recommends the resolution set out in Item No.14 to be passed as a Special Resolution.

A copy of Articles of the Company together with the proposed alterations is available for inspection by the Members at the Registered office of the Company on any working day (except Sundays and Public Holidays) between 11 a.m. and 3.00 p.m. up to the date of the Annual General Meeting.

None of the Directors or Key Managerial Personnel or their relatives are concerned or interested in the nature of, financial or otherwise with respect to Agenda Item 14, except to the extent of their shareholding in the Company.

IN RESPECT OF ITEM NO 15:

As the Members are aware that the Company has appointed M/s Link Intime India Private Limited, Mumbai as the Registrars and Share Transfer Agents (RTA) of the Company. The records pertaining to the shareholders including the Register of Members

are to be maintained by the RTA. Hence, it was decided by the Board to keep the Register of Members and Index of Members of the Company along with the Share Transfer Books and copies of all the annual returns prepared by the Company together with the copies of all certificates and documents required to be annexed or attached thereto at the Company's Share Transfer Agent at their office in Mumbai in the State of Maharashtra. In view of the same it was also decided to seek the approval of the members by way of Special Resolution of members of the Company.

The Board of Directors recommends the resolution set out in Item No.15 to be passed as a Special Resolution.

None of the Directors or Key Managerial Personnel or their relatives are concerned or interested in the nature of, financial or otherwise with respect to Agenda Item 15, except to the extent of their shareholding in the Company.

IN RESPECT OF ITEM NO 16:

Pursuant to the provisions of Section 20 of the Companies Act, 2013 ('the Act') and the Rules made thereunder, a document may be served on a Member of the Company by sending the same to him by post or by registered post or by speed post or by courier or by delivering it at his office or address, or by such electronic or other mode as may be prescribed. However, proviso to sub-section (2) of Section 20 of the Act states that a Member may request for delivery of any document through a particular mode, for which he/she shall pay such fees as may be determined by the company at its Annual General Meeting ('AGM'). Further, listed companies are required to send financial statements: (a) by electronic mode to such members whose shareholding is in Demat form and whose E-mail IDs are registered with Depository for communication purposes; (b) where Shareholding is held otherwise than by Demat form, to such members who have positively consented in writing for receiving by electronic mode; and (c) by despatch of physical copies through any recognised mode of delivery as specified under section 20 of the Act, in all other cases. Accordingly, consent of the members is sought for passing the Special Resolution as set out in Item No.16 of the Notice relating to serving the documents including financial statements to the members of the Company in a requested mode.

The Board of Directors recommends the resolution set out in Item No.16 to be passed as a Special Resolution.

None of the Directors or Key Managerial Personnel or their relatives are concerned or interested in the nature of, financial or otherwise with respect to Agenda Item 16, except to the extent of their shareholding in the Company.

Annexure 'A'

ANNEXURE TO ITEM NO 03 TO 05 AND ITEM NO 08 TO 10 OF THE AGM NOTICE

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

Details of Executive Directors seeking re-appointment:

Name of Director	Mr. Jayant Chheda (Chairman and Managing Director)	Mr. Parag Chheda (Whole Time Director)	Mr. Vipul Chheda (Whole Time Director)
DIN	00013206	00013222	00013234
Date of Birth	31-07-1946	07-05-1971	08-06-1975
Nationality	Indian	Indian	Indian
Date of Appointment / Re-appointment on the Board	13/11/1987	27/04/1996	11/03/1997
Qualifications	Senior Secondary Certificate Examination	Associate degree in business administration	Higher secondary certificate
Expertise in specific functional area	Procurement of Raw Materials, Accounts/Finance	Marketing/Advertising, HR, IT	Project Sales/Marketing
Number of shares held in the Company	65,56,405	2,15,83,303	2,21,48,300
Terms and Conditions of Appointment / Re-appointment	As detailed in the respective resolutions and explanatory statement		
List of the directorships held in other companies*	-	-	-
Chairman/ Member in the Committees of the Boards of companies in which he is Director*	Prince Pipes and Fittings Limited: Member: Nil	Prince Pipes and Fittings Limited: Audit Committee - Member Stakeholder Relationship Committee - Member Chairman: Nil	Prince Pipes and Fittings Limited: Stakeholder Relationship Committee - Member Chairman: Nil
Numbers of Board Meeting attended	11	11	9
Relationship with other Directors / Key Managerial Personnel/ Managers	Relative of Mr. Parag Chheda and Mr. Vipul Chheda	Relative of Mr. Jayant Chheda and Mr. Vipul Chheda	Relative of Mr. Jayant Chheda and Mr. Parag Chheda

*Directorship includes Directorship of Listed Companies & Committee membership includes only Audit Committee and Stakeholders' Relationship Committee of Public Limited Company (whether Listed or not).

Details of Non-Executive Directors seeking appointment / re-appointment:

Name of Director	Mr. Ramesh Chandak (Independent Director)	Mr. Mohinder Pal Bansal (Independent Director)	Mrs. Uma Mandavgane (Independent Director)	Mr. Rajendra Gogri (Independent Director)	Mr. Satish Chavva (Nominee Director)
DIN	00026581	01626343	03156224	00061003	03615175
Date of Birth	07-11-1946	08-05-1957	02-01-1967	15-12-1959	20-12-1974
Nationality	Indian	Indian	Indian	Indian	UK Citizen
Date of Appointment / Re-appointment on the Board	September 16, 2017	September 16, 2017	September 16, 2017	June 25, 2020	June 25, 2020
Qualifications	*master's degree in commerce *Chartered Accountant	*master's degree in commerce *Chartered Accountant	*master's degree in commerce *Chartered Accountant *Certified Information Systems Auditor	*Master's degree in Chemical Engineering	*MBA *MS *B. Tech
Expertise in specific functional area	Accounts/Finance, Strategy, M&A	Merger & Acquisitions, Accounts/Finance	Accounts/Finance, IT	Marketing, Purchase, Account/Finance, Taxation	Private Equity
Number of shares held in the Company	Nil	450 equity shares	Nil	Nil	Nil
Terms and Conditions of Appointment / Re-appointment	As detailed in the respective resolutions and explanatory statement				
List of the directorships held in other companies*	4 KEC International Ltd Parag Milk Foods Ltd Ram Ratna Wires Ltd Summit Securities Ltd	3 Navneet Education Ltd Allcargo Logistics Ltd	1 Zee Media Corporation Ltd	2 Aarti Industries Ltd Aarti Drugs Ltd	0
Chairman/ Member in the Committees of the Boards of companies in which he is Director*	Prince Pipes and Fittings Limited Audit Committee – Member Stakeholders' Relationship Committee – Chairperson Parag Milk Foods Limited Audit Committee – Chairman Ram Ratna Wires Limited Audit Committee – Member KEC International Limited Audit Committee – Member Stakeholders' Relationship Committee – Chairperson Anand Rathi Wealth Services Limited Stakeholders' Relationship Committee – Chairperson	Prince Pipes and Fittings Limited Audit Committee – Chairman Navneet Education Limited Audit Committee - Chairperson Stakeholders' Relationship Committee – Member Allcargo Logistics Limited Audit Committee- Chairperson	Prince Pipes and Fittings Limited Audit Committee – Member Zee Media Corporation Limited Audit Committee - Chairperson	Aarti Industries Limited Audit Committee – Member Stakeholders' Relationship Committee – Member Aarti Drugs Limited Stakeholders' Relationship Committee - Chairperson	Nil
Number of Board Meetings attended	9	9	11	NA	NA
Relationship with other Directors / Key Managerial Personnel/ Managers	None	None	None	None	None

*Directorship includes Directorship of Listed Companies & Committee membership includes only Audit Committee and Stakeholders' Relationship Committee of Public Limited Company (whether Listed or not).

By Order of the Board of Directors
For Prince Pipes and Fittings Limited

Sd/-
Jayant Chheda
Chairman and Managing Director

Place: Mumbai
Date: July 31, 2020

Annexure 'B'

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article No. (as per existing AOA)	Existing article	Modification proposed
2 and 37A	Articles 2(d), 2(e), 2(f), 2(h), 2(i), (j), 2(k), 2(l), 2(m), 2(p) and 37A in Part A of the Articles of Association came into force from March 23, 2019, when the amendment to the erstwhile Articles of Association was approved vide a special resolution passed at the extra-ordinary general meeting of the Company.	To remove Articles 2(d), 2(e), 2(f), 2(h), 2(i), 2(j), 2(k), 2(l), 2(m), 2(p) and 37A from 'Part A' of the Articles of Association so as to make the Articles of Association in in tune with the prevailing requirements after the termination of investor framework agreement.
123.6	The definitions of 'Annual Business Plan', 'Applicable S&E Law', 'Approvals', 'Approved D&O', 'Business', 'Business Day', 'CCPS', 'Chief EHS Officer', 'Closing', 'Closing Date', 'Committee', 'Competitor', 'Control', 'Deed of Adherence', 'EBIDTA', 'Encumbered Shares', 'Encumbrance', 'Environmental Law', 'EOD Warranties', 'Equity Shares', 'Equity Securities', 'ESAP Plan', 'ESOP Scheme', 'Extended IPO Date', 'Financial Year', 'Framework Articles', 'General Meeting', 'Hazardous Substance', 'Investment Framework Agreement', 'Intellectual Property', 'Investor Securities', 'Investor CCPS', 'IPO', 'Key Managerial Personnel', 'Liquidity Event', 'Memorandum', 'NDU Shares', 'Offer for Sale', 'Performance Standards', 'Pledged Shares', 'Post Money Valuation', 'Promoter Loan Documents', 'Proposed IPO', 'Proposed IPO Date', 'QIPO/ Qualified IPO', 'Stock Exchange', 'Subscription Amount', 'Subsidiaries', 'Transaction Documents', 'Third Party' and 'Third Party Funding' in Part B of the Articles of Association came into force from November 28, 2019, when the amendment to the erstwhile Articles of Association was approved vide a special resolution passed at the extra-ordinary general meeting of the Company.	To remove the definitions of 'Annual Business Plan', 'Applicable S&E Law', 'Approvals', 'Approved D&O', 'Business', 'Business Day', 'CCPS', 'Chief EHS Officer', 'Closing', 'Closing Date', 'Committee', 'Competitor', 'Control', 'Deed of Adherence', 'EBIDTA', 'Encumbered Shares', 'Encumbrance', 'Environmental Law', 'EOD Warranties', 'Equity Shares', 'Equity Securities', 'ESAP Plan', 'ESOP Scheme', 'Extended IPO Date', 'Financial Year', 'Framework Articles', 'General Meeting', 'Hazardous Substance', 'Investment Framework Agreement', 'Intellectual Property', 'Investor Securities', 'Investor CCPS', 'IPO', 'Key Managerial Personnel', 'Liquidity Event', 'Memorandum', 'NDU Shares', 'Offer for Sale', 'Performance Standards', 'Pledged Shares', 'Post Money Valuation', 'Promoter Loan Documents', 'Proposed IPO', 'Proposed IPO Date', 'QIPO/ Qualified IPO', 'Stock Exchange', 'Subscription Amount', 'Subsidiaries', 'Transaction Documents', 'Third Party' and 'Third Party Funding', from article 123.5 of Part B of the Articles of Association, which were in force (under article 123.6) till the date of listing of shares of the Company, entirely from the Articles of Association of the Company, which are otherwise redundant, post listing of shares of the Company.
124 to 136	The Articles 124.1.3, 124.1.4, 124.1.5, 124.1.6, 124.1.7, 124.1.8, 124.1.9, 124.1.10, 124.1.11, 124.1.12, 124.2, 124.3, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136 and Annexure I to the Part B, in Part B of the Articles of Association came into force from November 28, 2019, when the amendment to the erstwhile Articles of Association was approved vide a special resolution passed at the extra-ordinary general meeting of the Company.	To remove Articles 124.1.3, 124.1.4, 124.1.5, 124.1.6, 124.1.7, 124.1.8, 124.1.9, 124.1.10, 124.1.11, 124.1.12, 124.2, 124.3, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136 and Annexure I to the Part B, from Part B of the Articles of Association, which were in force till the date of listing of shares of the Company, entirely from the Articles of Association of the Company, which are otherwise redundant, post listing of shares of the Company.
	In the event that the IFA is terminated in accordance with Clause 9 of the IFA, the Framework Articles shall cease to be in force and shall stand lapsed on the date of such termination.	To remove 'Part C' from Articles of Association which is in force from the date of execution of the investor framework agreement on November 19, 2019 so as to make the Articles of Association having only two parts, 'Part A' and 'Part B'.

Article No. (as per existing AOA)	Existing article	Modification proposed
123.1	Subject to the requirements of the applicable Law, in the event of any conflict between the provisions of Articles 1 to 122 (except Article 37A) and Articles 123 to 136 (Articles 123 to 136 being and are referred to as the "Investment Amending Articles"), the provisions of the Investment Amending Articles shall prevail and apply. The provisions of the Investment Amending Articles shall be read together with Article 37A and the Framework Articles.	Subject to the requirements of the Applicable Law, in the event of any conflict between the provisions of Articles 1 to 122 and Articles 123 to 125 (Articles 123 to 125 being and are referred to as the "Investment Amending Articles"), the provisions of the Investment Amending Articles shall prevail and apply.
123.2	Notwithstanding the provisions of Articles 1 to 122 (except Article 37A), the Company and the Shareholders shall not be bound by, or subject to, any duties, obligations or covenants under the Articles 1 to 122 (except Article 37A) to the extent of any conflict of any manner with the Investment Amending Articles.	Notwithstanding the provisions of Articles 1 to 122, the Company and the Shareholders shall not be bound by, or subject to, any duties, obligations or covenants under the Articles 1 to 122 to the extent of any conflict of any manner with the Investment Amending Articles.
123.3.1	Articles 1 to 122 (except Article 37A) on the one hand; and	Articles 1 to 122 on the one hand; and
124.1.1	Composition and size of the Board. The Board shall, unless otherwise agreed to by the Company, the Promoters and the Investors or unless the size of the Board is required to be increased pursuant to the Promoter Loan Documents, consist of not more than 10 (ten) Directors, and the composition of the Board shall be as follows: (a) the Investors shall have the right (and not the obligation) to nominate up to 1 (one) Director, so long as that the Investors directly or indirectly hold at least 5% (five percent) of the total share capital of the Company on a Fully Diluted Basis ("Investor Nominee Director(s)"); (b) the Promoters shall collectively have the right to nominate up to 5 (five) Directors ("Promoter Nominee Director(s)"); and (c) subject to Clause 4 (Reserved Matters), up to 5 (five) Independent Directors shall be nominated in accordance with the provisions of the Act. The Investor Nominee Directors and the Promoter Nominee Directors shall collectively be referred as "Nominee Directors", and individually as "Nominee Director". It is specifically agreed that for determining the 5% (five percent) threshold mentioned herein above in this Article 124.1.1., the shareholding of the Investors, the Investor's Affiliates and any other Shareholder who has been introduced by the Investors, (provided that such other Shareholder has agreed to exercise their rights jointly with the Investors as a single block) shall be taken into account, collectively. The Investor Nominee Director nominated by the Investors shall discontinue to be a Nominee Director in the event (i) the Investors cease to hold at least 5% (five percent)	Composition and size of the Board. The Board shall, unless otherwise agreed to by the Company, the Promoters and the Investors, consist of not more than 10 (ten) Directors, and the composition of the Board shall be as follows: (a) the Investors shall have the right (and not the obligation) to nominate up to 1 (one) Director, so long as that the Investors directly or indirectly hold at least 5% (five percent) of the total share capital of the Company on a Fully Diluted Basis ("Investor Nominee Director(s)"); (b) the Promoters shall collectively have the right to nominate up to 5 (five) Directors ("Promoter Nominee Director(s)"); and (c) up to 5 (five) Independent Directors shall be nominated in accordance with the provisions of the Act. The Investor Nominee Directors and the Promoter Nominee Directors shall collectively be referred as "Nominee Directors", and individually as "Nominee Director". It is specifically agreed that for determining the 5% (five percent) threshold mentioned herein above in this Article 124.1.1., the shareholding of the Investors, the Investor's Affiliates and any other Shareholder who has been introduced by the Investors, (provided that such other Shareholder has agreed to exercise their rights jointly with the Investors as a single block) shall be taken into account, collectively. The Investor Nominee Director nominated by the Investors shall discontinue to be a Nominee Director in the event (i) the Investors cease to hold at least 5% (five percent) of the total share capital of the Company on a Fully Diluted Basis; and (ii) upon receipt by the Investors of a written notice from the Company requiring the Investor Nominee Director to vacate his / her seat. The Nominee Director

Article No. (as per existing AOA)	Existing article	Modification proposed
	<p>of the total share capital of the Company on a Fully Diluted Basis; and (ii) upon receipt by the Investors of a written notice from the Company requiring the Investor Nominee Director to vacate his / her seat. The Nominee Director nominated by the Investors shall cease to be a Nominee Director upon the appointment of the Observer as provided in Article 124.1.2 below and it is clarified that simultaneously with the appointment of the Observer, the Nominee Director nominated by the Investors, if any shall resign from the position of Nominee Director upon receipt by the Investors of a written notice from the Company requiring the Investor Nominee Director to vacate his / her seat. For avoidance of doubt, it is clarified that subject to the Investors holding at least 5% (five percent) of the total share capital of the Company on a Fully Diluted Basis, if the Observer resigns or is removed by the Investor, then the Investors shall have a right (but not an obligation) to appoint an Investor Nominee Director to the Board.</p>	<p>nominated by the Investors shall cease to be a Nominee Director upon the appointment of the Observer as provided in Article 124.1.2 below and it is clarified that simultaneously with the appointment of the Observer, the Nominee Director nominated by the Investors, if any shall resign from the position of Nominee Director upon receipt by the Investors of a written notice from the Company requiring the Investor Nominee Director to vacate his / her seat. For avoidance of doubt, it is clarified that subject to the Investors holding at least 5% (five percent) of the total share capital of the Company on a Fully Diluted Basis, if the Observer resigns or is removed by the Investor, then the Investors shall have a right (but not an obligation) to appoint an Investor Nominee Director to the Board.</p>
	<p>Observer. Irrespective of the extent of the Investors shareholding in the Company on a Fully Diluted Basis, the Investors shall have: (a) the right to nominate 1 (one) observer on the Board and on all Committees ("Observer"), and (b) seek removal or replacement of the respective Observer nominated by it by providing a written notice to the Board. Each Observer shall have the right to receive all relevant notices, documents and information provided to the members of the Board and Committees and shall be entitled to attend all meetings of the Board and Committees. However, the Observer shall not be entitled to vote with respect to any resolution proposed to be passed at a meeting of the Board or the Committees. For avoidance of doubt, it is clarified that if the Investors hold more than 5% (five percent) of the total share capital of the Company on a Fully Diluted Basis then the Investors shall have the right to either appoint the Investor Nominee Director under Article 124.1.1 above or appoint an Observer under this Article 124.1.2.</p>	<p>Observer. Irrespective of the extent of the Investors shareholding in the Company on a Fully Diluted Basis, the Investors shall have: (a) the right to nominate 1 (one) observer on the Board and on all Committees ("Observer"), and (b) seek removal or replacement of the respective Observer nominated by it by providing a written notice to the Board. Each Observer shall have the right to receive all relevant notices, documents and information provided to the members of the Board and shall be entitled to attend all meetings of the Board. However, the Observer shall not be entitled to vote with respect to any resolution proposed to be passed at a meeting of the Board. For avoidance of doubt, it is clarified that if the Investors hold more than 5% (five percent) of the total share capital of the Company on a Fully Diluted Basis then the Investors shall have the right to either appoint the Investor Nominee Director under Article 124.1.1 above or appoint an Observer under this Article 124.1.2.</p>
135	<p>135.1 Subject to Article 130A(t), Article 135.2 and Article 135.4, the Company, Promoters and Investors hereby agree that the rights and obligations provided under these Articles shall continue even after the consummation of Proposed IPO or QIPO or any other IPO undertaken in accordance with the SHA and these Articles, unless to the extent such rights and obligations fall away under Applicable Laws, or as may be required by SEBI.</p>	<p>Article 125. Termination: In the event that the SHA is terminated in accordance with Clause 16 of the SHA, the Investment Amending Articles shall cease to be in force and shall stand lapsed on the date of such termination.</p>

Article No. (as per existing AOA)	Existing article	Modification proposed
	<p>135.2 Subject to the provisions of Applicable Laws, the Company, the Promoters and the Investors hereby agree that only the following rights of the Investors under these Articles shall survive and continue to be valid upon the consummation of the Proposed IPO:</p> <p>(a) Right under Article 124.1.1. (in relation to appointment of Investor Nominee Directors), subject to ratification of the appointment of such Investor Nominee Directors by the Shareholders of the Company in the first general meeting after the completion of the Proposed IPO; and</p> <p>(b) Right under Article 124.1.2 (in relation to appointment of the Observer), unless it is not acceptable to the Securities and Exchange Board of India, subject to ratification of the appointment of such Observer by the Shareholders of the Company in the first general meeting after the completion of the Proposed IPO.</p> <p>It is clarified that until such ratification by the Shareholders of the Company, the relevant Investor Nominee Director's / Observer's appointment shall continue.</p> <p>The Company, the Promoters and the Investors hereby agree that other than as provided under this Article 135.2, the Investment Amending Articles and the Framework Articles shall stand automatically terminated on the date of receipt of the final listing and trading approval from the Stock Exchanges in relation to the Proposed IPO.</p> <p>135.3 Further, in the event that the SHA is terminated in accordance with Clause 16 of the SHA, the Investment Amending Articles (except Article 136 and provisions relating thereto) shall cease to be in force and shall stand lapsed on the date of such termination.</p> <p>135.4 In the event that the Proposed IPO is not consummated for any reason whatsoever, then the rights and obligations that have been suspended or terminated in accordance with Article 135.2 above, shall be reinstated and shall be applicable to the Company, Promoters and Investors in the manner provided under this Part B and Part C of these Articles and as if no rights had</p>	

Article No. (as per existing AOA)	Existing article	Modification proposed
	<p>135.5 been suspended or terminated prior to the consummation of the Proposed IPO. The Parties hereby agree that in order to give effect to this provision, the Company, Promoters and Investors shall enter into appropriate agreements/documentation (as maybe necessary) in good faith for purposes of giving effect to and for the enforceability of such rights and obligations (including specifically any rights that cannot be automatically reinstated on account of any reason whatsoever including specifically that such rights are intrinsically linked to the Investor holding CCPS).</p> <p>135.6 In the event that the CCPS is converted into Equity Shares in accordance with the terms of such CCPS and in respect to any Equity Shares subscribed to by the Investors, the Company, Promoters and Investors hereby agree that in order to give effect to the rights of the Investors under these Articles, the Company, Promoters and Investors shall agree to suitable mechanisms and execute appropriate agreements/documentation (as maybe necessary) in good faith for purposes of giving effect to and for the enforceability of such rights and obligations (including Transfer or issuance of additional Equity Securities to the Investors at the specified valuation in accordance with the provisions of these Articles.</p>	

Notes:



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