



Prakash Pipes Limited

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

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PPL/SE/AGM-BC/AR/2019

12th September, 2019

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

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

Company Symbol: PPL

Company Code : 542684

Sub: Annual Report for financial year 2018-19

Dear Sir / Madam,

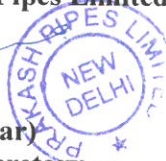
In continuance of our Letter PPL/SE/AGM-BC/AR/2019, dated 4th September 2019, we are again enclosing herewith the same Annual Report for the financial year 2018-19 with better quality and high resolution and the same is also available on the website of the Company viz. www.prakashplastics.in

This is for your information and record please.

Thanking you,

Yours faithfully,
For **Prakash Pipes Limited**


(Pawan Kumar)
Company Secretary



Encl.: Annual Report

creating a sustainable business

How the newly-created company has been structured to enhance stakeholder value



Prakash Pipes Limited
Annual Report 2018-19

Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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creating a sustainable business

How the newly-created company has been structured to enhance stakeholder value

Prakash Pipes Limited was created out of a demerger from Prakash Industries Limited.

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

The demerger, restructuring and listing were undertaken with a singular objective: ***to enhance value for the Company's stakeholders in a sustainable way.***

7 things you need to know about Prakash Pipes Limited



Values

Utmost satisfaction of customers and suppliers

Equal opportunity for human resources development

Care and compassion for employees

Team work

Socially responsible

Emphasis on transparency



Vision

Prakash Pipes Ltd. endeavours to become a learning and knowledge-based organization. The Company will establish itself as a preferred supplier by offering quality products to its customers. The Company will strive to become one of the most cost competitive PVC Pipes and packaging producers in the industry and generate wealth to serve its customers, the surrounding community and the nation.



Mission

Customers: To deliver the intended product as per requirement/specification without any deviation and service experience, backed by innovation, people and processes. Customer satisfaction is the ultimate goal.

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

Vendors: We create symbiotic relationships to drive the mutual growth.



Background and Promoters

The business has almost a 4-decade long history in the Industry. It has been operating since 1981. The Company was founded by Ved Prakash Agarwal, who has been engaged in the business of manufacturing PVC pipes and fittings since 1981. The Company now stands 300+ employees strong as of 31st March, 2019.



Products

The Company's plastic business is divided into segments - PVC pipes cum fittings & flexible packaging. The range of products comprises Agri Pipes, Column Pipes, Plumbing Pipes, Casing Pipes, SWR Pipes, Garden Pipes and related fittings. Its Flexible Packaging offerings find application in the packaging of food, beverages, oil, personal care and pharmaceutical products.



The Prakash brand

The PVC business is being driven by the *Prakash* brand, which has been respected for more than four decades by consumers in North India for a high consistent no-leakage quality.



Locations

The corporate office of Prakash Pipes is located in New Delhi. The PVC Pipes & Fittings plant of the Company is located in Kashipur (Uttarakhand) spread across 60 acres, with more than 50% area being utilized for forestation and plantation. The Company's state-of-the-art flexible packaging plant is located adjacent to the PVC Pipes & Fittings unit to manufacture high-performance barrier films and laminates.



Certifications

Its manufacturing units have been certified for the following: BRC packaging certification (global standard for packaging and packaging materials), ISO 22000:2005 (food safety management), ISO 9001:2015 (standard quality maintenance) and ISO 9001 (quality management system).



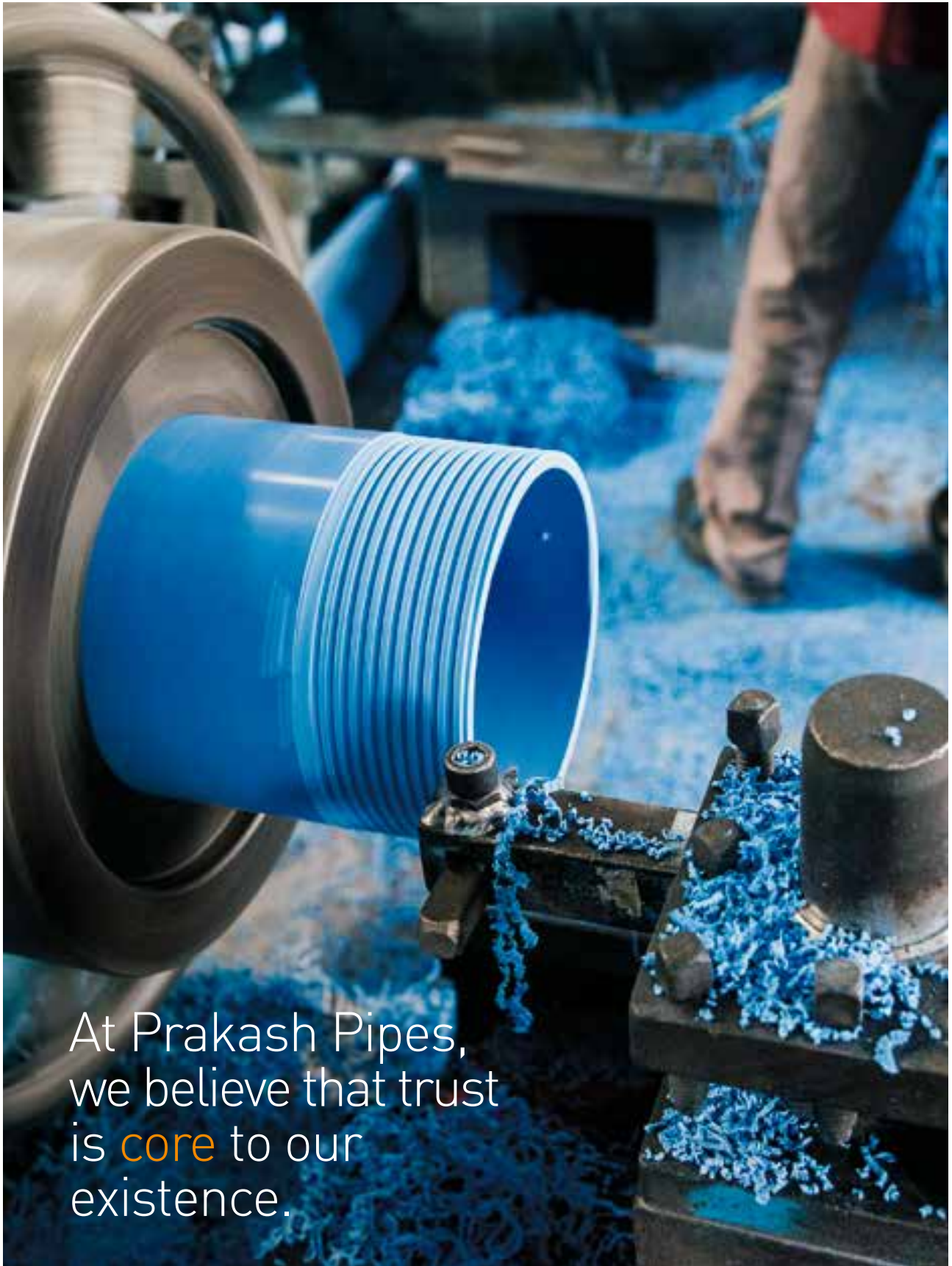
Listing

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

39.3 Promoters' holding, 14th June 2019 (%)

193 Market capitalisation, 14th June 2019 (₹ crores)

300+ Team size, 14th June 2019



At Prakash Pipes,
we believe that trust
is **core** to our
existence.



Good governance comes from an association of the right people – promoters, Board of Directors, professional management, capital providers, customers and community.

THE MORE WE ARE TRUSTED, THE STRONGER THE CUSTOMER ENGAGEMENT ACROSS OUR BUSINESSES AND DEEPER OUR ABILITY TO ATTRACT SUPERIOR TALENT.

At our Company, governance is the comprehensive process by which we expect to manage our Company. Good governance will be the insurance against sectoral volatility.

Good governance comes from an association of the right people – promoters, Board of Directors, professional management, capital providers, customers and community.

The promoters of Prakash Pipes come with a multi-decade experience of growing product offtake in the B2B and B2C spaces across market cycles and geographies.

Our Board of Directors comprises individuals of respect. The Board has collaborated with the management to chart out a multi-year blueprint that provides business direction and clarity.

We will be cautiously aggressive; we will increase our PVC pipes capacity incrementally in line with the growth in market demand. We will invest aggressively in our flexible packaging business, initially drawing surpluses from our PVC pipes business and then becoming independent to finance the growth of that business through captive means.

We are a specialized player in the

polymer pipes and flexible packaging spaces, addressing the non-commodity ends of both businesses. We will increase revenues from value-added PVC fittings and address the flexible packaging needs of processed food manufacturers.

We are engaged in this business with a long-term perspective, which we have extended across every initiative since 1981.

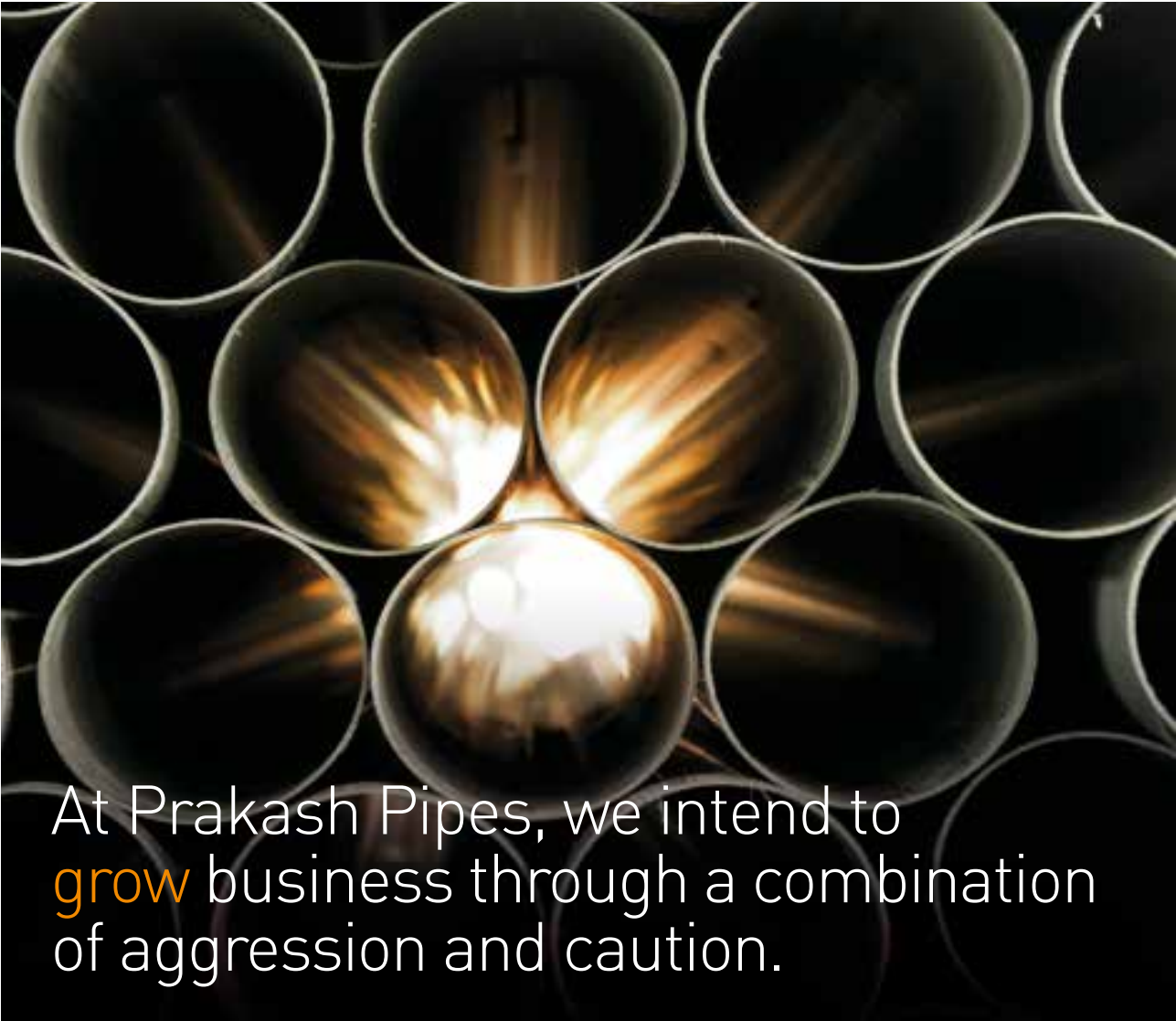
We have selected to remain under-borrowed (using accruals to grow our business) with the objective of staying liquid and profitable across market cycles.

Our 12% dividend during the year under review will surely be rewarding for the investors who have constantly supported us.

We believe an ethical framework represents the most critical infrastructure, evoking trust and respect. This ethic will be enunciated and practiced as a desirable way to work and live.

We are optimistic that this governance-driven approach should enhance year-on-year value for the Company's stakeholders.

V.P. Agarwal, Chairman



At Prakash Pipes, we intend to **grow** business through a combination of aggression and caution.

I WELCOME
SHAREHOLDERS
TO THE FIRST
ANNUAL
REPORT OF
THE COMPANY
FOLLOWING
THE DEMERGER
FROM PRAKASH
INDUSTRIES IN
FY2018-19.

Enhancing shareholder value

The demerger was proposed and concluded for a number of reasons.

Primarily, the demerger addressed the need to enhance shareholder value. We believe that this demerger will make it possible for the performance of Prakash Pipes to be independently appraised and valued, translating into superior value in the hands of all of our stakeholders.

In view of the growing prospects of the PVC pipes and flexible packaging businesses in India, there was a need to spin the businesses out of the erstwhile structure, enhance independent visibility and make the business responsible for its long-term growth.

There was also a conviction that since the polymer-based business was different from that of steel, it warranted a deeper and different focus.

The nature of risk, competition, challenges, opportunities and business methods for the PVC pipes undertaking is separate and distinct from the other businesses.

The PVC pipes undertaking would become capable of attracting a different set of investors, strategic partners, lenders and other stakeholders.

The demerger shall enable enhanced focus to the operations of the PVC pipes undertaking to better meet their respective customers' needs and priorities, develop

their own network of alliances and talent models that are critical to success.

In view of these reasons, we are optimistic that the polymer-based business of the Company shall grow faster across the foreseeable future, enhancing shareholder value.

Competitive advantage

The principal message that I wish to communicate is that the Company has acquired a demerged personality with a number of competitive advantages that should enhance value in an attractive and sustainable way.

- i) The Company has been demerged and listed with no long-term debt on its books. We believe this to be a substantial advantage in today's economy where debt-heavy companies are valued at a discount to their debt-light peers. The demerged company enjoys attractive terms of trade with positive cash flows that should translate into attractive surpluses that help fund the Company's year-on-year growth.
- ii) The Company has deliberately focused on the premium end of the polymer pipes and flexible packaging businesses, liberating it from the commodity trap, accelerating offtake across market cycles, strengthening its long-term brand and generating superior realisations.
- iii) The businesses are synergic from an extrusion perspective making it possible to share inter-business learnings. Besides, the PVC business is cash-rich, the process which helped establish and grow the flexible packaging business until the time when the latter business can sustain its own momentum.
- iv) Earned respect of consumers

through its four-decade long consistent presence in the sector. Trusted across the north-Indian market for its refined quality and the promise of 'no leakage'.

- v) The business enjoys a receivables cycle of only around four weeks, which is considerably lower than the industry average.

Growth agenda

At Prakash Pipes, we intend to grow both business through a combination of aggression and caution.

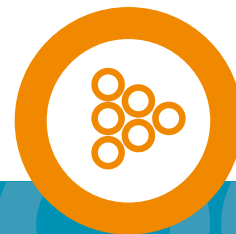
We will deepen the presence of our polymer pipes business across North India (Uttar Pradesh, National Capital Region, Haryana and Punjab), addressing the steady 15% market growth in the region. We intend to increase the proportion of revenues derived from the sale of value-added fittings and ancillary products.

We intend to aggressively grow the flexible packaging business, responding to the strong growth coming from the downstream FMCG food sector in India. The Company possessed an installed capacity of 5400TPA at the close of FY2018-19; we intend to grow our capacity utilization during the current financial year and concurrently embark on a capacity expansion to 8400TPA [effective in FY2019-20].

The combination of no debt, steadily and rapidly growing businesses, the capacity of one business to fund growth in the other and the propensity of the flexible packaging business to progressively moderate its break-even point with every round of expansion bodes well for our Company.

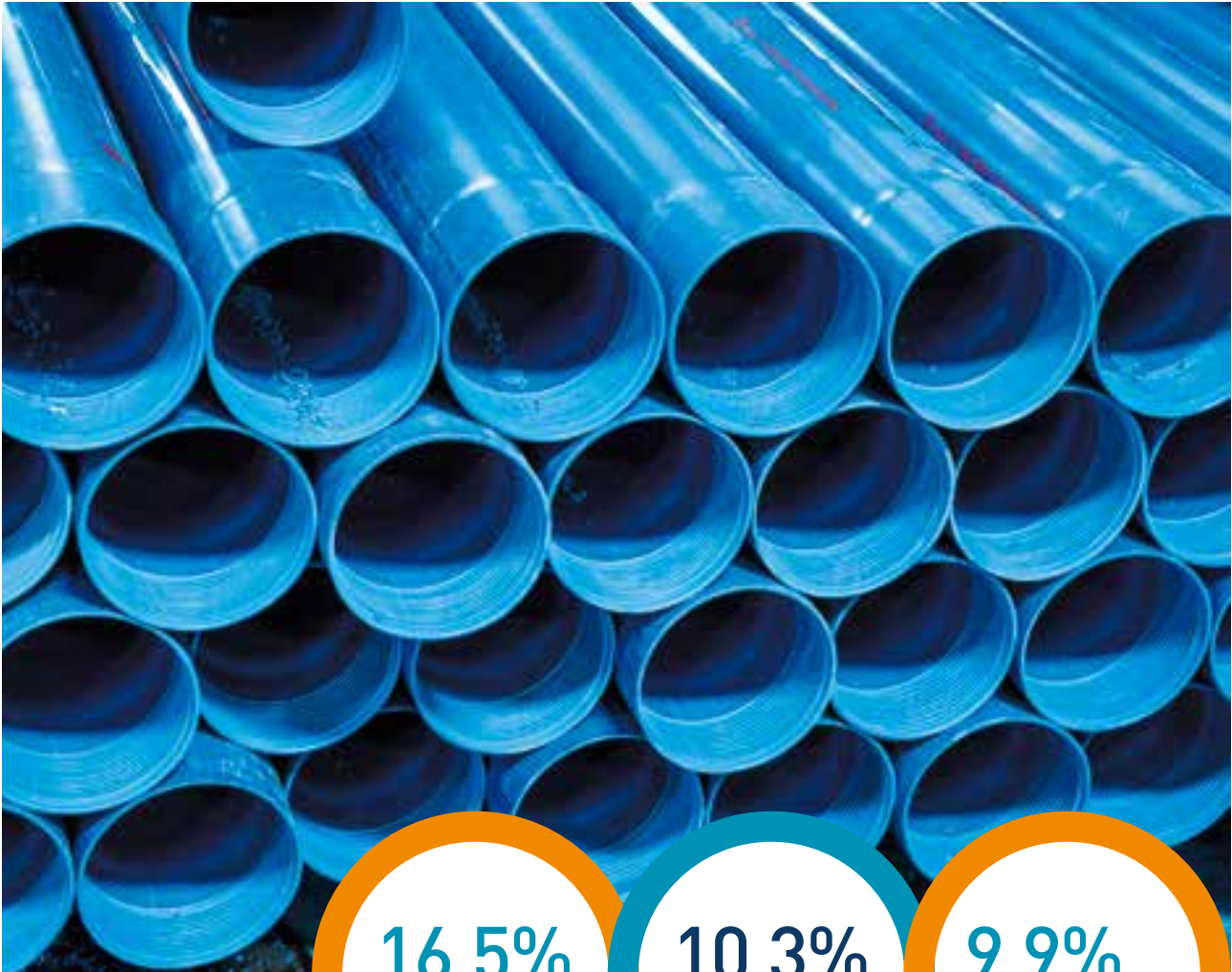
I am optimistic that the Company is attractively poised to grow in a sustainable way, enhancing value for all the stakeholders in our Company.

Kanha Agarwal, Managing Director



The businesses are synergic from an extrusion perspective making it possible to share inter-business learnings. Besides, the PVC business is cash-rich, the process which helped establish and grow the flexible packaging business until, the time when the latter business can sustain its own momentum.

Our PVC pipes and fittings business



16.5%

growth in turnover,
FY2018-19

10.3%

growth in sales
volume, FY2018-19

9.9%

growth in EBITDA
margin, FY2018-19

OVERVIEW

AT PRAKASH PIPES, WE HAVE BEEN ENGAGED IN THE MANUFACTURE OF A RANGE OF PVC PIPES, FITTINGS AND ACCESSORIES, PROVIDING CUSTOMERS IN NORTH INDIA WITH A ONE-STOP SOLUTION. THE COMPANY IS ONE OF THE LARGEST IN THE REGIONS OF ITS PRESENCE; ITS PRAKASH BRAND IS WIDELY RESPECTED FOR PRODUCT RELIABILITY AND DURABILITY.

Rationale for presence

The Company is engaged in this business on account of the growing importance for water transportation. There is a premium on the need to transport water across farms, urban locations, residential and commercial properties, among other developments.

Strengths

The Company is a one-stop provider of PVC pipes and fittings.

The Company's manufacturing facilities are spread across 60 acres, of which only 30 acres have been utilized, indicating vast operating headroom to commission capacity expansion with speed and economy. The Company possesses a distribution coverage comprising 100+ dealers; the Company's products are available across 600+ points of sale.

The Company has selected to own a transportation fleet leading to savings in turn-around time and logistics cost.

The Company has generally grown its multi-decade presence on the back of superior word-of-mouth respect with negligible promotional spending.

The Company enjoys the respect of being an ethical manufacturer that will not alter product ingredients and characteristics when raw material costs increase.

The Company focuses on premium positioning and increased realisations, escaping the commodity end of the business.

The strength of the brand is reflected in its short receivables cycle of

around four weeks, enhancing corporate liquidity.

Strategy

The Company has selected to focus on deepening its presence in four states of North India (Uttar Pradesh, National Capital Region, Haryana and Punjab), marked by steady organic growth.

The Company will continue to commission relatively small modules of capacity in line with the organic demand growth – neither straining its Balance Sheet, distribution network, pricing stability and brand exposure.

The Company will sustain its ongoing expansion programmes through accruals.

The Company intends to grow the proportion of revenues derived from value-added fittings from 3% in FY2018-19 to 5% in FY2019-20 on a larger turnover.

Outlook

The entire Piping Industry in India is estimated at around 22,000 crores, out of which PVC pipes and fittings is over 13,000 crores (60% organized sector and 40% unorganized sector).

The Company is engaged in commissioning additional extrusion lines of 1000TPM, funded out of internal accruals and likely to be commissioned in the second half of FY2019-20.

The Company has its own logistics department comprising 55 LCVs and expects to add 20 LCVs by March 2020 to strengthen its supply-chain network.

OUR PRAKASH BRAND

- In existence for four decades
- Undisputed market leader in Uttar Pradesh; among leaders in NCR and Haryana
- Present largely in four Indian States (North India)
- Generates recall of 'trust', 'durability' and *Bharosa* (dependability)
- Strong offtake driven by superior word of mouth
- Offtake growing by 11.4% CAGR in the five years ending FY2018-19
- Complemented by value-added fittings
- Available across 600+ points of sale

BIG NUMBERS

55,000

TPA of capacity, FY2018-19

Estimated capacity addition by March 2020 –

12,000 TPA

Our flexible packaging business



OVERVIEW

THE COMPANY ENTERED THE BUSINESS OF FLEXIBLE PACKAGING IN FY2018-19 WITH AN INITIAL MANUFACTURING CAPACITY OF 5400 TONNES PER ANNUM. THIS WAS A NEW BUSINESS FOR THE COMPANY. THE COMMONALITY WITH ITS EXISTING PVC BUSINESS BEING THE EXTRUSION PROCESS ACROSS SOME PHASES OF THE OVERALL MANUFACTURING PROCEDURE.

Rationale for presence

The Flexible packaging business in India is growing at a CAGR of 18%. The Company entered the business to address the increasing appetite for flexible packaging to address a growing market for packaged foods. The market for packaged and processed foods is expanding on account of the growing consumption of snacks, the improving standards of flexible packaging leading to product durability and longer shelf life. This reality, in turn, is being driven by a growing need for processed foods being dictated by convenience and cost-effectiveness.

Strengths

The Company's flexible packaging business is currently operating in a 'No-Debt' condition, thus there is no burden of repayment on the Company.

The additional plant has been installed in the existing land-bank leading to lower investments and faster returns.

The certifications that the Company has been awarded with i.e., BRC 'A' grade, ISO 22000:2005, ISO 9001:2015 helps it in garnering the trust of its customers, resulting in numerous top MNCs in its client-roster.

The Company's plant is strategically placed to capture the demand of the North Indian market which is slowly growing into a hub of FMCG companies. The plant at Kashipur, Uttarakhand can address the demand-generation in North India which has the biggest market for flexible packaging in the country with comparative ease.

Strategy

The Company selected to focus on

the value-added packaging segment addressing the growing needs of the processed foods industry. The Company believes that addressal of the food processing segment is marked by organized practices, respect for superior quality and the prospect of sustainable growth.

The Company intends to integrate backwards to the manufacture of printed laminates, blown film and printing ink, strengthening control over its supply chain on the one hand and widening its value-chain on the other.

The Company will seek to invest accruals generated from the business in capacity expansion, addressing the 18-20% annual growth in the demand for flexible packaging in India.

Outlook

The Company expects to maximize capacity utilization during the current financial year, moderate its break-even point and embark on the second round of capacity expansion of 3000 TPA (to be commissioned in FY2019-20).

The Company intends to reinvest in successive capacity expansion with the objective to double its existing capacity across the foreseeable future. This proposed capacity (8400 TPA) is likely to enhance the Company's positioning as a serious mid-sized manufacturer, strengthen economies, attract larger customers, generate repeat engagement and broadbase the Company's offerings across a wider product mix. The Company believes that by the virtue of no debt on the books, the Company's business would be liquid, robust and more sustainable than larger companies with debt on their books – and index of its sustainability.

BIG NUMBERS

40

% of sales made within 200 km of the plant

3

Certifications: BRC 'A' grade, ISO 22000:2005, ISO 9001:2015

5400

TPA - Current capacity

3000

TPA - Capacity expansion

8400

TPA - Total capacity

Management Discussion and Analysis



16.5%
growth in turnover,
FY2018-19

Global Economic Overview

Following a robust growth of 3.8% in 2017 that extended into the first half of 2018, the global economy slowed in the second half of 2018, reflecting a confluence of factors affecting major economies like the failure of Brexit negotiations, tightened financial conditions, geopolitical tension and higher crude oil costs. Owing to this, the global economy growth in 2018 was estimated at 3.6% and projected to slow to 3.3% in 2019.

Global economic growth

Year	2015	2016	2017(E)	2018(E)	2019 (P)
Real GDP growth (%)	3.2	3.1	3.8	3.6	3.3

[Source: World Economic Outlook, January 2019] E: Estimated; P: Projected

[Source: Investopedia, Focus Economics, Trading Economics, Deloitte Insights, NBS, OECD, World Bank, Investopedia, WEO, IMF]

Indian economic overview

India emerged as the sixth largest economy and retained its position as the fastest-growing trillion-dollar economy in 2018. However, after growing 7.2% in FY2017-18, the Indian economy was expected to report slower growth in FY2018-19 estimated at 6.8%. The principal developments during the year under review comprised a sustained increase in per capita incomes, decline in national inflation, steadying interest rates, and weakened consumer sentiment starting from the second half of the financial year.

Outlook

India is expected to report an improved economic performance across the foreseeable future, benefiting from structural reforms. (Source: CSO, Fitch, Economic Times, Business Standard, IBEF, Business Today, India Today)

Indian PVC pipes market overview

Indian polyvinyl chloride (PVC) pipes and fittings: The Indian PVC pipe and fittings industry registered healthy double digit CAGR growth during the last five years at the back of rising demand from construction and irrigation sectors. The India PVC pipes market (chlorinated PVC, unplasticized polyvinyl chloride and plasticized PVC) is employed extensively in heavy-duty plumbing, sewerage & drainage and HVAC applications.

The Indian market for pipes is being catalyzed by a growing population, realty construction, improved lifestyles, growing water stress and increasing irrigation coverage in India's agricultural sector. Nearly 70% of the demand for plastic pipes is

derived from the agricultural sector, while 30% demand is drawn from the non- agricultural spaces.

In the last few years, the PVC pipes market has been catalyzed by a growing government priority in strengthening the country's agriculture sector. This priority has been showcased in the announcement of prominent government programs (Pradhan Mantri Krishi Sinchai Yojana (PMKSY), Swachh Bharat Abhiyan etc.).

Rapid industrialization has increased the demand for PVC material in the construction, real estate and housing sectors as well. A rise in demand for oil and gas transportation will also contribute to a higher demand for PVC pipes and fittings in the near future.

Its chemical resistance, durability, low cost, recyclability and easy-to-install & use attributes make it a preferred material for drainage, sewerage, plumbing, agriculture, irrigation, water supply and other similar applications in both residential and industrial sectors. (Source : Allied Market Research)

Outlook

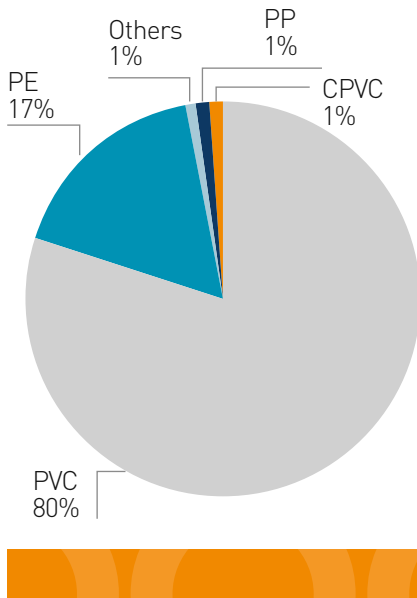
The industry has immense growth potential in view of the various initiatives taken by the government including allocation of ₹400 bn for investment in the irrigation sector, setting up a dedicated micro-irrigation project worth ₹50 bn by NABARD and improving the purchasing power of the farmers. In the construction sector also, the government's impetus like affordable housing, Swachh Bharat Mission' (Gramin) and increasing the sanitation coverage in rural India to 60% shall also provide notable growth opportunities for the piping industry.

Sectoral demand drivers

Agriculture: Agriculture is the primary source of livelihood for ~58% of India's population. India is the world's second largest producer of agriculture products (7.39% of total global agricultural output). Gross irrigated area stood at 68.4 million hectares in FY18. With discussions centred a round increasing farm stress, the Indian government launched a number of schemes to irrigate every farmer's field (18.8 million hectares) and help double farmer incomes by 2022. As per the Union Budget FY2019-20, ₹140,764 crore was allocated to India's agriculture sector, which in turn is expected to catalyze the market for PVC pipes. There is a growing traction for micro-irrigation which ensures the precise application of water into the soil for germination, helping optimize the soil's air and water balance facilitating root development. The Group of Secretaries, 2017, outlined a target to cover 10 million ha under micro-irrigation over five years (FY2017-18 to FY2021-22).

Real estate: Real estate (housing, retail, hospitality and commercial) is a growing driver of the offtake of PVC pipes. India's commercial space sector has been driven by ITeS/IT, BFSI, consulting and manufacturing sectors. Besides, this segment has been driven by government like Pradhan Mantri Awas Yojana, Housing for All and 100 Smart City projects. Under the Pradhan Mantri Awas Yojana (PMAY) - Urban, some 6,028,608 houses were sanctioned for construction up to September 2018. The sector is expected to grow to USD 1 trillion by 2030, strengthening the market for PVC pipes. (Source: IBEF; The Economic Times)

Indian Plastic pipe market



Benefits of PVC pipes

- PVC pipes offer a weight advantage over alternative piping materials.
- PVC pipes are resistant to fracture, a performance advantage.
- PVC pipes are available with deep insertion, push together gasketed or solvent joints. They are also available with fusion joints that provide a monolithic fully sealed pipeline suited for trenchless installations and contaminated sites.
- PVC pipes provide smoother wall surfaces that reduce fluid friction and flow resistance.
- PVC pipes are non-toxic (the world's most researched and tested plastic).
- PVC pipes are generally supplied in lengths of 6m but are also available in other sizes (reducing the number of joints).
- PVC pipes are difficult to ignite and will not burn in the absence of an external ignition source.

Government initiatives

Agriculture

Pradhan Mantri Gram Sinchai Yojana:

Government investment: ₹50,000 crore

Objectives: Extend irrigation coverage ('Har khet ko pani') and improve water use efficiency ('More crop per drop').

Doubling farm incomes

Government investment: ₹58,080 cr (Union Budget FY2018-19)

Objective: Double farmers' income by 2022

Swachh Bharat Mission

Objective: To accelerate universal sanitation coverage across over 4,000 cities and towns, enhancing cleanliness and sanitation (solid and liquid waste management and making gram panchayats open defecation-free).

Real estate

Pradhan Mantri Awas Yojana

Government investment: ₹26,405 crore in 2018

Objective: Provide affordable housing to weaker sections and urban / rural poor.

Smart City Mission

Government investment: ₹2.05 lakh crore

Objective: Creation of modern urban clusters.

AMRUT

Government investment: ₹7,300 crore

Objectives: Provide basic services (water supply, sewerage and urban transport) to households and build urban amenities; improve life quality for all, especially the poor and disadvantaged.

Swachhata hi Seva Campaign

Objective: Launched in the year 2018. Its main objectives are:

- To generate public participation towards Swachhata.

- To mobilize people and reinforce the public movement for sanitation to contribute to Mahatma Gandhi's dream of a clean India.

National Rural Drinking Water Programme

Objective: Launched in the year 2013. The main objective of this programme was to ensure the availability of adequate safe water for drinking, cooking and other basic needs on a sustainable basis to every rural person.

- They also make sure that minimum water quality standard is accessible at all times and in all situations.

Namami Gange

Government investment: ₹20000 cr

Objective: Launched in the year 2014. The main objectives are:

- Effective abatement of pollution
- Conservation and rejuvenation of National River Ganga

'Har Ghar Jal' under the 'Jal Jeevan Mission'

Government investment : ₹500000 crore.

Objective : Launched in June, 2019, the main objectives are :

- Ensuring piped water supply to all rural households by 2024 under 'Jal Jeevan Mission'.
- The government has identified 1592 Blocks which are critical and over exploited, spread across 256 Districts of the country for the implementation of this Scheme.
- According to government data, only 18% of the country receives piped drinking water with more than 400 million households still cut off. In states such as Uttar Pradesh, West Bengal, Chhattisgarh, and Odisha the coverage of tap water is less than 5%. The scheme has been initiated to put an end to this crisis.

- On the lines of Swachh Bharat Abhiyan, where a separate allowance of ₹12,000 was made for each

household to construct a toilet under PM Awaas Yojana-gramin, the government is likely to push for piped water connections through the same scheme in rural areas

Indian flexible packaging market overview

The Indian packaging industry is large at over INR 300,000 Crores and is further expected to witness growth at 13% CAGR over the next 5 years by FY22.

In view of the changing end-user preferences on account of lower cost, light weight, lower space requirement, carrying convenience and better energy efficiencies, the Flexible packaging segment, in

particular, is expected to outgrow the rigid packaging in the coming times. End-use industries such as F&B, Pharma and BPC are expected to exhibit a strong double digit growth annually driving packaging demand. Also, growth of organized retail and export demand is further expected to drive the industry growth.

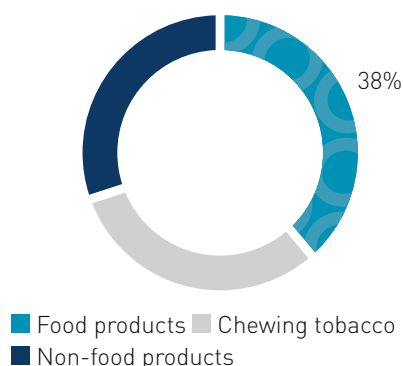
Although there is opportunity for growth in this sector, the industry still faces a lot of challenges. Regulatory clarity in packaging, insufficient consumer awareness of sustainable packaging and large unorganized markets are some of the most challenging factors for the Indian flexible packaging industry.

[Source: Research on Global Markets; Packaging SouthAsia.com]

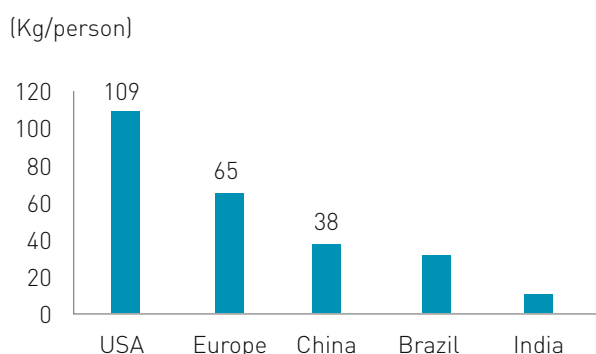
Outlook

Demand for flexible packaging in the Indian market is also expected to grow at a robust pace over the next five years. The flexible packaging supply chain is also benefitting from the concerted efforts of the Ministry of Food Processing Industries (MoFPI) in providing financial support for the construction of Food Mega Parks and improved cold store facilities. The growing food and beverage industry that will drive the adoption and demand for flexible packaging solutions will contribute to the growth of the flexible packaging market size.

Usage of flexible packaging – industry-wise



Per capita plastic products consumption – country-wise (2017)



Sectoral growth drivers

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

expected to generate a revenue of INR ~71,986.2 by 2020, increasing at a CAGR of ~17.85% from 2015. The growth of the retail industry will directly lead to the expansion of the flexible packaging market in India. [Source : IBEF]

Benefits of flexible packaging

Flexible packaging is a superior modern packaging option than conventional materials. Flexible packaging can be customized according to product requirements.

In India, flexible is the preferred packaging option due to improvements in packaging standards that enhance content purity and shelf life on the one hand while being convenient to transport on the other. The market for flexible packaging is expected to strengthen following the expansion of organized retail and growth in online retail.

The Company's overview

Over the years, Prakash has emerged as a trusted brand for PVC pipes and fittings owing to consistent quality,

Management Discussion and Analysis

accessibility and availability. The Company manufactures a range of products (Agri Pipes, Column Pipes, Plumbing Pipes, Casing Pipes, SWR

Pipes, Garden Pipes and related fittings). The products are used in irrigation, drainage, housing, and sanitation applications. To strengthen

its polymer business and address a growing demand, the Company extended into the manufacture of flexible packaging.

Product range (PVC pipes)

Product type	The Prakash advantage
uPVC pipes	Economical, light weight, easy handling, non-toxic, non-corrosive, resistance to most chemicals, low installation and maintenance costs, resistance to abrasion, longer life, low thermal conductivity, easy laying and joining
Casing pipes	Strong & durable, low friction losses, light and easy joining, corrosion resistant, economical, higher well yields
Plumbing uPVC pipes	Strong & durable, resistant to corrosion & rusting, hygienic & low bacterial growth, power saving, long-lasting & maintenance-free and economical, better flow characteristics
SWR pipes (Selfit and Ringfit)	Strong & durable, easy-to-handle, easy joining, economical, low maintenance cost, leak-proof & safe, rust and UV radiation-resistant
Column pipes	Long life, non-corrosive, least friction loss, leak-proof and easy joining, lightweight, easy to install, maintenance-free threading system, lower power consumption with higher water throughput
uPVC fittings	Economical, easy joining easy handling, smooth, leak-proof, strong and durable, resistant to rust

Flexible packaging applications

Verticals	Applications
FMCG	Shampoo & conditioners, candy & confectionaries, soaps & detergents, aromatic oils, essential oils, vegetative oils
Infrastructure	Cement, paints, printing inks, petroleum oils, automotive & engineering components, motor oils and lubricants, garden fertilizers, plant nutrients and manure
Food	Snack items, sugar, wheat flour, rice and all other cereals, noodles, spices, green vegetables and fruit, sea food, cheese and dairy products, frozen foods and more
Beverages and others	Tea and coffee, fruit juices, synthetic juices & drinks, anti-fog, anti-skid, pharmaceuticals and contraceptives

Risks and Concerns

Risk, which is the manifestation of business uncertainty affecting corporate performance and prospects, is an integral part of business. The Company follows a

well-defined and exhaustive risk management process, which is integrated with its operations. This enables the Company to identify, categorize and prioritize operational,

financial and strategic business risks. To address the identified risks, the Company continues to spend significant time, effort and human resources to manage and mitigate such risks.

Internal Control System and their Adequacy

Your Company has proper and adequate system of internal control commensurate with its size and nature of operations. The system provides a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company and ensuring compliance with corporate policies.

The Company's Audit Committee reviews adherence to internal control systems, internal audit reports and legal compliances. This committee reviews all quarterly and yearly results of your Company and recommends the same to Board for its approval. The Audit Committee periodically reviews the Internal Audit

Reports and issues guidance and advice. The Statutory Auditors also provides assurance on the adequacy of the internal control systems in the Company.

Material developments in human resources/industrial relations front, including number of people employed.

Organization growth and development depends on the quality of its human capital. Effective human resource (HR) planning and management is required at all stages to ensure employee growth and satisfaction. The HR processes of your Company are integrated into the fabric of the organization which add value to the business operations. The Human Resource (HR) practices of your Company are geared towards creating a performance driven organization. Continuous efforts are made to attract

and retain the best talents available and minimize attrition.

On the whole, the focus is on building internal capabilities and bringing down costs through application of technology, innovation and automation, while keeping the employees engaged and motivated. The Human Resource Department of the Company focuses on improving the work culture, employee engagement, effectiveness and efficiency. Various employee engagement interventions carried out in the year have resulted in better performance. Reward and recognition practices have helped in creating a positive work environment. On the safety front, the Company is focused on ensuring the safety of all its employees. The Company has maintained healthy and cordial industrial relations during the year.

Key ratios

Particulars	FY2018-19
EBITDA/Turnover (%)	12.7%
EBITDA/Net interest ratio	216 times
Debt-equity ratio	0.001:1
Return on equity (%)	26%
Book value per share (₹)	₹53.5
Earnings per share (₹)	₹13.98

Cautionary statement

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

statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized by the Company. Actual result could differ materially from those expressed in the statement

or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent development, information or events.

Corporate Information

Board of Directors:

Shri V. P. Agarwal - *Chairman*
Shri Kanha Agarwal - *Managing Director*
Shri Vikram Agarwal - *Director*
Dr. S. L. Keswani - *Independent Director*
Dr. S.C. Gosain - *Independent Director*
Smt. Parveen Gupta - *Independent Director*

Company Secretary:

Shri Pawan Kumar

Statutory Auditors:

Chaturvedi & Co.
Chartered Accountants

Registered Office:

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

Corporate Office:

SRIVAN
Bijwasan, New Delhi - 110 061

Works:

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

Website:

www.prakashplastics.in

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present their Second Annual Report on the business & operations of the Company together with the Audited Statement of Financial Accounts for the Period ended 31st March, 2019.

FINANCIAL RESULTS

(Amount in ₹ Lakh)

Particulars	For the Period ended 31st March, 2019	For the Period ended 31st March, 2018
Net Sales	34096	NIL
Other Income	459	NIL
Total Income	34555	NIL
EBITDA	4319	*
Depreciation	472	NIL
Financial Expenses	20	NIL
Profit Before Tax	3827	*
Provision for Taxes	972	NIL
Profit After Tax	2855	*
Other Comprehensive Income	(18)	NIL
Total Comprehensive Income	2837	*

*Amount is less ₹1 Lakh

PERFORMANCE

With a view to support the PVC Pipes Business to capitalize on its growth opportunities, led by a dedicated management team, the Board of Directors of Prakash Pipes Limited at its meeting held on 24th August, 2017, approved a Scheme of Arrangement u/s 230-232 read with Section 66 of the Companies Act, 2013, between Prakash Industries Limited and Prakash Pipes Limited and their respective shareholders and creditors for demerger of PVC Pipes Undertaking and transfer and vesting thereof to and in Prakash Pipes Limited, as a 'going concern'. The Scheme was sanctioned by NCLT vide order dated 14th March, 2019 (certified copy received on 1st April, 2019) and is effective with the appointed date being 1st April, 2018. Hence performance of the Company shall be reckoned with effect from 1st April, 2018.

During the financial year 2018-19 the Company had achieved Net Sales of ₹341 Crores and EBITDA of ₹43 Crores. After

providing for interest, depreciation and tax, the Net Profit of the Company was ₹29 Crores, which resulted in EPS of ₹13.98

FUTURE PROSPECTS

The Indian PVC pipe & fittings industry registered healthy double digit CAGR growth during the last five years at the back of rising demand from construction and irrigation sectors. Considering the future growth potential in the sector, the Company has undertaken capacity expansion at its PVC Pipe & fittings plant, which is in advanced stages of implementation.

The Company also recently ventured into Flexible Packaging and laminates business at its existing plant at Kashipur, state Uttarakhand. Flexible Packaging business has huge potential for growth in future in view of the shift in consumer preferences towards branded / packaged products, growth

of packaging end-sectors like food and beverages, beauty care, personal care and pharmaceuticals along with organized retail and strong overseas demand for packaged export products.

DIVIDEND

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

The dividend, if approved by the members, would involve a cash outflow of ₹295 Lakhs including dividend distribution tax.

ENVIRONMENT AND SOCIAL RESPONSIBILITY

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

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

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year of the Company to which the financial statements relate and the date of the report.

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

The Hon'ble National Company Law Tribunal, at Chandigarh vide its order dated 14th March, 2019, sanctioned the Scheme of Arrangement u/s 230-232 read with Section 66 of the Companies Act, 2013, between Prakash Industries Limited and Prakash Pipes Limited and their respective

shareholders and creditors. The appointed date of the Scheme is 1st April, 2018.

CHANGE IN NATURE OF BUSINESS, IF ANY

There is no change in the nature of business in the financial year 2018-19, except addition of Flexible Packaging business.

DETAILS OF SUBSIDIARY COMPANIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

AMOUNT CARRIED TO ANY RESERVE (IF ANY)

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

CORPORATE SOCIAL RESPONSIBILITY AND GOVERNANCE COMMITTEE

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

BOARD EVALUATION

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

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

NUMBER OF MEETINGS OF THE BOARD

The details of the Board Meetings and other Committee Meetings held during the financial year 2018-19 are given in

the separate section of Corporate Governance Report.

DECLARATION BY INDEPENDENT DIRECTORS

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

FAMILIARISATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

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

- i) Shri Kanha Agarwal, Whole-Time Director*
- ii) Shri Dalip Kumar Sharma, Chief Financial Officer
- iii) Shri Pawan Kumar, Company Secretary

* Shri Kanha Agarwal was appointed as Whole-Time Director in Board Meeting held on 16th March, 2019 and approved in Extra Ordinary General Meeting held on 25th March, 2019. He was re-designated as Managing Director and Chief Executive Officer (C.E.O.) of the Company at the Board Meeting dated 24th April, 2019.

Pursuant to Section 134(3)(q) of the Companies Act, 2013, the Remuneration and other details of Key Managerial Personnel and other employees for the year ended 31st March, 2019 are detailed in Corporate Governance Report, annexed to this report.

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

In Board Meeting held on 16th March, 2019 Dr. Satram Lokumal Keswani, Dr. Satish Chander Gosain and Smt. Parveen Gupta were appointed as Additional Directors on the Board of the Company, all three of them are also

Independent Directors as per Companies Act, 2013 and Rules made thereunder.

At the Extra Ordinary General Meeting held on 25th March, 2019 all of them were appointed for a term of Five Years commencing from 16th March, 2019 and ending on 15th March, 2024 as Independent and Non-executive Directors on the Board of the Company.

BOARD COMMITTEES

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

FIXED DEPOSITS

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

DIRECTORS' RESPONSIBILITY STATEMENT

Your Company's Directors make the following statement in terms of sub-section (5) of Section 134 of the Companies Act, 2013, which is to the best of their knowledge and belief and according to the information and explanations obtained by them:

- I. The financial statements have been prepared in conformity with the applicable Accounting Standards and requirements of the Companies Act, 2013, ("the Act") to the extent applicable to the Company; on historical cost convention; as a going concern and on accrual basis. There are no material departures in the adoption of the applicable Accounting Standards.
- II. The Board of Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- III. The Board of Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- IV. The Board of Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

V. The Board of Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS & AUDITORS REPORTS

i) Statutory Auditor

M/s Chaturvedi & Co., Chartered Accountants, (FRN:302137E), were appointed as the Statutory Auditors of the Company for a period of five years at the 1st Annual General Meeting of the Company, upto the conclusion of the 6th Annual General Meeting of the Company, subject to ratification by members at every Annual General Meeting of the Company, if so require under the Act. They have confirmed their eligibility under Section 141 of the Act and the Rules framed thereunder for reappointment as Auditors of the Company. As required under Regulation 33 of the Listing Regulations, 2015 the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

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

ii) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Pradip Kumar Muduli, Practising Company Secretary to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "Annexure I". The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

CHANGES IN CAPITAL STRUCTURE

During the financial year 2018-19, the Company has increased its Authorised Share Capital from ₹1,00,000/- to ₹25,00,00,000/- by passing an Ordinary Resolution at Extra Ordinary General Meeting of the members of the Company held on 25th March, 2019.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

RELATED PARTY TRANSACTIONS [RPT]

The Company, during the financial year, entered into contracts or arrangements with related parties which were as per Scheme of Arrangement under Section 230-232

of the Companies Act, 2013 on arm's length basis. These transactions are not falling under the provisions of Section 188(1) of the Act. All RPT's are placed before the Audit Committee for review on a quarterly basis.

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

The details of the related party transactions as required under Section 134(3)(h) read with Rule 8 (2) of the Companies (Accounts) Rules, 2014 is attached as Annexure II.

VIGIL MECHANISM AND WHISTLE BLOWER POLICY

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

NOMINATION AND REMUNERATION POLICY

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

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

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 134 (3) (a) of the Companies Act, 2013, extract of the Annual Return for the financial year ended 31st March, 2019 made under the provisions of Section 92(3) of the Act is available on the website of the Company.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, during the Financial year 2018-19 there was no employee drawing remuneration in excess of the limits set out in the said rules.

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

The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. During the financial year ended 31st March, 2019, no complaint pertaining to sexual harassment was received by the Company.

CORPORATE GOVERNANCE

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

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis on the operations of the Company as prescribed under Part B of Schedule V read with regulation 34 (3) of the Listing Regulations, 2015 is provided in a separate section in pages 12-17.

INTERNAL AUDIT AND INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

The Company believes that internal control is a prerequisite of the principle of Governance and that freedom should be exercised within a framework of checks and balances. The Company has a well-established internal control framework, which is designed to continuously assess the adequacy,

effectiveness and efficiency of financial and operational controls. The management is committed to ensure an effective internal control environment, commensurate with the size and complexity of the business, which provides an assurance on compliance with internal policies, applicable laws, regulations and protection of resources and assets.

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

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

ACKNOWLEDGMENTS

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

By Order of the Board

Ved Prakash Agarwal
Chairman
DIN: 00048907

Date: 24th April, 2019
Place: New Delhi

ANNEXURE I

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[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,
Prakash Pipes Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Prakash Pipes Limited (hereinafter called the Company), an Un-listed subsidiary of a Listed entity i.e. Prakash Industries Limited. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Pursuant to Scheme of Arrangement (Demerger) under Section 230 to 232 of the Companies Act 2013 between Prakash Industries Limited (Demerged Company) and Prakash Pipes Limited (Resulting Company), the NCLT, Chandigarh on 14/03/2019 has approved the said Scheme of Arrangement (Demerger) with appointed date of 01 April, 2018. Both Prakash Industries Limited (Demerged Company) and Prakash Pipes Limited (Resulting Company) will take appropriate steps to give effect to the Demerger including the process of allotting shares to the shareholders of Prakash Industries Limited by Prakash Pipes Limited and listing of the Company. In view of above de-merger Prakash Pipes Limited and consequential allotment of shares to shareholders of Prakash Industries Limited, as per information provided by the Company & its officers, the Company will facilitate dematerialization of all its existing securities and comply with sub rule (1) of Rule 9A of Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2018 in time.

Based on my verification of the Prakash Pipes Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Prakash Pipes Limited ("the Company") for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under and the applicable provisions of the Companies Act, 1956;
- (ii) 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;

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

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

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

I further report that, being an unlisted Company there were no actions/event in pursuance of:

- (i) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'),
- (iv) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (v) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (vi) The Securities and

Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (vii) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (Not applicable to the Company as it's not registered as Registrar to Issue and Share Transfer Agents during the audit period); (viii) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (ix) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (x) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (xi) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

During the period under review and as per the explanations and clarifications given to me and the representation made by the Management, the Company has complied with the provisions of the applicable laws, rules, regulations and guidelines, etc as mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted. 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.

Keeping in view the listing of securities after the approval of demerger, the Company has appointed Independent Directors, CFO and Company Secretary during the year and amended Memorandum & Articles of Association of the Company.

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. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

As informed, the Company has responded appropriately to notices received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.

Pradip Kumar Muduli
(Practising Company Secretary)

FCS No.6170
C P No.:5730
Place : New Delhi
Date : 24th April, 2019

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

ANNEXURE A

To The Members
Prakash Pipes Limited

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

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

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

Place : New Delhi
Date : 24th April, 2019

ANNEXURE II

FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis : None

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts/arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) date(s) of approval by the Board
- (g) Amount paid as advances, if any:
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. Details of material contracts or arrangement or transactions at arm's length basis

- (a) Name(s) of the related party and nature of relationship: **Prakash Industries Limited (Holding Co.)**
- (b) Nature of contracts/arrangements/transactions: **As per Sanctioned Scheme of Arrangement under Sections 230-232 of the Companies Act, 2013**
- (c) Duration of the contracts/arrangements/transactions: **01/04/2018-31/03/2019**
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **NIL**
- (e) Date(s) of approval by the Board, if any: **As per Sanctioned Scheme of Arrangement under Sections 230-232 of the Companies Act, 2013**
- (f) Amount paid as advances, if any: **NIL**

By Order of the Board

Ved Prakash Agarwal
Chairman
DIN: 00048907

Date: 24th April, 2019
Place: New Delhi

ANNEXURE III

REPORT ON CORPORATE GOVERNANCE

1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company's philosophy on Corporate Governance envisages working towards high levels of transparency, accountability, consistent value systems, delegation across all facets of its operations leading to sharply focused and operationally efficient growth. The Company tries to work by these principles in all its interactions with all stakeholders, including shareholders, employees, customers, suppliers and statutory authorities.

2. BOARD OF DIRECTORS

a) Composition

As on 31st March, 2019, the Board of Prakash Pipes Ltd. comprised 6 Directors represented by 1 Whole-time

(Executive) Director, 2 non-independent, non-executive Directors including Chairman, and 3 Independent Director (Non-Executive).

b) Board Functioning and Procedures

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the Meeting with the approval of the Board. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board Meeting. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company vis-à-vis the budgets/targets.

c) Attendance of each Director at the Board meetings & last Annual General Meeting during the year 2018-19 and number of other Directorships and committee memberships/ chairmanships held in other Companies:

S. No.	Name and DIN of Director	Category	No. of Board Meetings Attended	Last AGM Attended	No. of Directorships held in other Cos.		No. of Committee Positions held in other Cos.	
					Chairman	Director	Chairman	Member
1.	Shri Ved Prakash Agarwal Chairman DIN: 00048907	Non-Executive & Promoter	6	Yes	1	7	-	-
2.	Shri Vikram Agarwal DIN: 00054125	Non-Executive & Promoter	6	Yes	-	7	-	-
3.	Shri Kanha Agarwal Whole-Time Director DIN: 06885529	Executive & Promoter	6	Yes	-	11	-	-
4.	Dr. Satram Lokumal Keswani* DIN: 00190790	Non-Executive & Independent	1	No	-	8	-	-
5.	Dr. Satish Chander Gosain* DIN: 08202130	Non-Executive & Independent	1	No	-	1	-	-
6.	Smt. Parveen Gupta* DIN: 00180678	Non-Executive & Independent	1	No	-	2	-	-

*Appointed w. e. f. 16th March, 2019.

d) Disclosure of relationship between Director inter-se

Shri Ved Prakash Agarwal, Chairman is related to Shri Vikram Agarwal and Shri Kanha Agarwal, Directors as their father.

Shri Vikram Agarwal and Shri Kanha Agarwal are related to each other as Brothers.

Apart from that, there are no relationships existing among other Directors of the Company.

e) Chart Matrix specifying core skills/expertise/competencies of the Board of Directors

The Board of Directors have identified the skills/ expertise/ competencies required in the context of its businesses and for its effective function are broken up into following sections:

Behavioural - The attributes and competencies enabling the individual director to use their knowledge and skills to function well as a team member and to interact with key stakeholders.

Governance - The essential governance knowledge and understanding all directors should possess or develop if they are to be effective directors.

Technical - Skills and specialist knowledge to assist the ongoing aspects of the board's role.

Industry Knowledge- Experience and knowledge of the industry and similar industry in which the organisation operates in.

Strategic expertise - the ability to understand and review the strategy

Legal - the board's responsibility involves overseeing compliance with numerous laws as well as understanding an individual director's legal duties and responsibilities;

f) No. of Board Meetings

In the financial year 2018-19, the Board met Six times.

The meetings were held on 23rd April, 2018, 21st June, 2018, 30th July, 2018, 29th October, 2018, 15th December, 2018 and 16th March, 2019. The Interval between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and the Listing Regulation.

Details of the Board meetings are as under:

S. No.	Date of Board Meeting	Board Strength	No. of Directors present
1.	23.04.2018	3	3
2.	21.06.2018	3	3
3.	30.07.2018	3	3

S. No.	Date of Board Meeting	Board Strength	No. of Directors present
4.	29.10.2018	3	3
5.	15.12.2018	3	3
6.	16.03.2019	6	6

g) Details of shareholding of non-executive Directors in the Company as on 31st March, 2019

S. No.	Name of Director	No. of Shares Held
1.	Shri Ved Prakash Agarwal	1*
2.	Shri Vikram Agarwal	1*
3.	Dr. Satram Lokumal Keswani	Nil
4.	Dr. Satish Chander Gosain	Nil
5.	Smt. Parveen Gupta	Nil

* Held Shares as Nominees of Prakash Industries Limited

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

3. AUDIT COMMITTEE

i) Terms, composition, names of members and chairman

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

During the year Board of Directors has constituted the Audit Committee on 16th March, 2019. The Committee comprises of 3 members and two of them are Independent Directors. Dr. S. L. Keswani (Non-Executive and Independent Director) is the Chairman of the Audit Committee, Shri Vikram Agarwal (Non-Executive Promoter Director) and Smt. Parveen Gupta (Non-Executive and Independent Director), are members of the Audit Committee.

ii) No. of Audit Committee Meetings

Audit Committee was constituted on 16th March, 2019 and no meeting was held in the financial year ended on 31st March, 2019. The 1st meeting of the Audit Committee was held on 24th April, 2019.

4. NOMINATION AND REMUNERATION COMMITTEE

i) Terms, composition, names of members and chairman

The Board of Directors has not constituted Nomination and Remuneration Committee during the Financial Year as

provisions of Section 178 were not applicable to the Company. Hence during the year, no meeting of the Committee was held.

However on 24th April, 2019 company constituted the Committee. The Committee comprises of Dr. S. L. Keswani (Non- Executive and Independent Director) as the Chairman and Shri Vikram Agarwal (Non-Executive and Promoter) and Dr. Satish Chander Gosain (Non-Executive and Independent Director) as members of the Nomination and Remuneration Committee of the Board of Directors.

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

ii) Performance evaluation criteria for independent Directors:

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

5. DETAILS OF REMUNERATION / SITTING FEE PAID TO DIRECTORS FOR THE PERIOD FROM 1ST APRIL, 2018 TO 31ST MARCH, 2019:

a) Pecuniary Relationship

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

S. No.	Name of Director	Salary	Perquisites	Sitting Fees
1.	Shri Ved Prakash Agarwal	-	-	-
2.	Shri Vikram Agarwal	-	-	-
3.	Shri Kanha Agarwal	-	-	-

S. No.	Name of Director	Salary	Perquisites	Sitting Fees
4.	Dr. Satram Lokumal Keswani*	-	-	-
5.	Dr. Satish Chander Gosain*	-	-	-
6.	Smt. Parveen Gupta*	-	-	-

*Appointed w.e.f 16th March, 2019.

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

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board has not constituted Stakeholders Relationship Committee till 31st March, 2019. Later on 24th April, 2019 the Board has constituted the Committee as per applicability.

7. OTHER COMMITTEES

a) Share Allotment and Transfer Committee

The Board has constituted Share Allotment and Transfer Committee on 16th March, 2019 with following composition:

Shri Vikram Agarwal	- Chairman
Dr. Satish Chander Gosain	- Member
Dr. Satram Lokumal Keswani	- Member

The Board has constituted a Share Allotment and Transfer Committee which meets frequently /as and when required for allotment of equity shares or any other instrument convertible into equity shares, to approve the transfer and transmission/transposition of shares, issue of duplicate share certificates, consolidation and subdivision of shares, etc. The Company complies with the requirements of the SEBI (LODR) with respect to allotment and transfer of shares. The requisite certificates are sent to the shareholders within the prescribed time. The stipulations of depositories regarding demat / remat etc. are also complied with. There was no meeting of the committee held in the Financial Year 2018-19.

8. GENERAL BODY MEETINGS

Details of Annual General Meetings (AGM) and Extraordinary General Meetings (EGM) of the Company held during the last three Financial Years, which were held at the Registered Office of the Company as mentioned below:

Date & Time	Details of Special Resolutions
21.07.2018 at 10.30 A.M (AGM)	-
25.03.2019 at 11.30 A.M. (EGM)	To alter the Articles of Association of the Company. To borrow money and create securities under the provisions of section 180 of the Companies Act, 2013. To provide guarantee and / or make investment in other body corporate.

Special Resolution passed through Postal Ballot

No special resolution was passed through postal ballot during the financial Year 2018-19. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

9. GENERAL SHAREHOLDERS' INFORMATION

a) Company Registration Details

The Company is registered in the State of Punjab, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is U25209PB2017PLC046660.

b) Annual General Meeting:

Date & Time 30th September, 2019 at 4.00 P.M.

Venue: Hotel Shiraz Castle Regency, 4 Queen's Road, Amritsar (Punjab)-143001

c) Financial Calendar for 2019-20:

- First quarter results upto 14th August, 2019
- Second quarter results upto 15th November, 2019
- Third quarter results upto 15th February, 2020
- Fourth quarter/Annual results upto 15th /30th May, 2020

d) Book Closure:

24th September, 2019 to 30th September, 2019 (both days inclusive)

e) Stock Exchanges where listed:

As on the date of closure of financial year ended on 31st March, 2019, the Company's equity shares were not listed on any stock exchange(s).

f) Distribution of Shareholding (as on 31st March, 2019)

No. of Equity Shares Held	No. of Shares holders	% of Share-holders	No. of Shares	% of Share-holding
Upto 5000	6	85.71	6	0.06
5001-10000	1	14.29	9994	99.94
10001-20000	Nil	Nil	Nil	Nil
20001-30000	Nil	Nil	Nil	Nil
30001-40000	Nil	Nil	Nil	Nil
40001-50000	Nil	Nil	Nil	Nil
50001-100000	Nil	Nil	Nil	Nil
100001- above	Nil	Nil	Nil	Nil
Total	7	100	10000	100

g) Registrar and Transfer Agents

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

h) Share Transfer System

The Transfer of shares in physical form are registered and returned within the stipulated time, if documents are clear in all respects. With effect from 1st April, 2019, SEBI vide its Press Release no. 12/2019 dated 27th March, 2019 had prohibited the transfer of shares in physical form.

i) Dematerialisation of Shares:

The Company has arrangements with both National Securities Depositories Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and got electronic connectivity of shares for scripless trading.

j) Listing Fee :

As on 31st March, 2019, the Company was not listed on any stock exchange and hence no listing fee was payable.

k) Plant Location:

- Kashipur (Uttarakhand)

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

Prakash Pipes Ltd.

Srivan, Najafgarh Road, Bijwasan, New Delhi – 110061.

Ph.: (011) - 25305800

Fax.: (011) - 28062119

Website: www.prakashplastics.in

E-mail: pplho@prakash.com

10. OTHER DISCLOSURES

- a) None of the transactions with any of related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in Note No. 37 of Standalone Financial Statements, forming part of the Annual Report.

All related party transactions are negotiated on arms length basis and are intended to further in the Company's interests.

The Company has disclosed the related parties transactions in Notes on Accounts in the Balance Sheet.

The same are not in potential conflict with the interest of the Company at large.

- b) There has been no instance of non-compliance by the Company on any matter related to capital markets since its incorporation, and hence, no penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any other statutory authority.
- c) The details of establishment of Vigil Mechanism & Whistle Blower Policy can be accessed on the Company's website www.prakashplastics.in. Further it is affirmed that there is a proper policy to look into the grievances of the personnel of the Company and no person has been denied access to the Audit Committee.
- d) The Policy for determining "Material Subsidiaries" can be accessed on company's website www.prakashplastics.in.
- e) The Policy on dealing with related party transactions can be accessed on company's website www.prakashplastics.in.
- f) There has been no instance of non-compliance by the Company on any requirement of Corporate Governance report as per Para C of Schedule V of SEBI (LODR), Regulations, 2015.

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

11. CODE OF CONDUCT

The Company has adopted a Code of Conduct for all Directors and Senior Management personnel including functional heads of the Company on 24th April, 2019. The essence of the code is to conduct the business of the Company in honest and ethical manner in compliance with applicable laws. The Code of Conduct has been posted on the website of the Company. All the Board members and Senior Management personnel including functional heads of the Company have affirmed compliance with the Code of Conduct.

12. Disclosures with respect to demat suspense account/ unclaimed suspense account

- a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year : NIL
- b) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year : NIL
- c) Number of shareholders to whom shares were transferred from suspense account during the year : NIL
- d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year : NIL
- e) Aggregate number of shares in Fractional Shares Account (Due to Scheme of Demerger with Prakash Industries Ltd.)- 35499.

Compliance Certificate from the Practicing Company Secretary regarding compliance of conditions of Corporate Governance

To
The Members of
Prakash Pipes Limited

We have examined the compliance of conditions of corporate governance by Prakash Pipes Limited ("the Company"), for the year ended 31st March, 2019 as stipulated in SEBI (LODR) Regulations, 2015 and the Listing Agreement of the said Company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the said clause of the Listing Regulations.

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

For **S.K. Hota & Associates**
Company Secretaries

(Susanta Kumar Hota)
Proprietor
ACS: 16165 CP: 6425

New Delhi
24th April, 2019

ANNEXURE IV

INFORMATION IN ACCORDANCE WITH THE PROVISIONS OF SECTION 134(3) (m) OF THE COMPANIES ACT 2013; READ WITH RULE 8 OF COMPANIES (ACCOUNTS) RULES 2014 REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO FOR THE YEAR ENDED 31ST MARCH, 2019

A) CONSERVATION OF ENERGY

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

PVC Pipes & Fittings Division

Packaging Division

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

- III) CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPEMENTS

S.No	Project Title	₹ In lakhs
1.	Nil	Nil

B) TECHNOLOGY ABSORPTION

- (i) EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION

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

A. PVC Pipes & Fittings Division

Project Title	Benefits derived
Nil	Nil

B. Flexible Packaging Division

Project Title	Benefits derived
Nil	Nil

INFORMATION REGARDING IMPORTED TECHNOLOGY (LAST THREE YEARS)

S.No. TECHNOLOGY IMPORTED YEAR OF IMPORT STATUS-NIL

WHEATHER THE TECHNOLOGY FULLY ABSORBED-NIL

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Activities relating to Exports and Export Plans: NIL

b) Total foreign exchange used and earned:

	This Period (₹ in lakhs)	Previous Period (₹ in lakhs)
i) Foreign exchange used	Nil	Nil
ii) Foreign exchange earned	Nil	Nil

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Prakash Pipes Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Prakash Pipes Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

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

Management's Responsibility for the Financial Statements

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

adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial.
 - ii. The Company has made provision, as required under the applicable law or accounting standards. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For CHATURVEDI & CO.

Chartered Accountants
Firm Registration No. 302137E

PANKAJ CHATURVEDI

Partner
Membership No. 091239

New Delhi
April 24, 2019

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

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

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the registered sale deed and lease agreement provided to us, we report that, the title deeds, comprising all freehold immovable properties of land and buildings and leasehold land which were transferred in pursuant to the scheme of demerger, are yet to be transferred in the name of the Demerged as at the balance sheet date.
- ii. According to the information and explanation given to us, the management has conducted physical verification of inventory at reasonable intervals during the year. The discrepancies noticed on verification between physical inventory and book records were not material and have been properly dealt with in the book of account.
 - iii. According to the information and explanations given to us, the Company has granted unsecured loans to a body corporate, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
 - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
 - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments of principal amounts and interest have been regular as per stipulations.
 - (c) There is no overdue amount remaining outstanding as at the year-end.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
 - v. According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under during the year. Accordingly, the provisions of Para 3 (v) of the Order are not applicable to the Company.
 - vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Rules made by the Central Government under sub-section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of these records with a view to determining whether they are accurate or complete.
 - vii. (a) According to information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employee's state insurance, income tax, goods and service tax, duty of customs, cess and any other material statutory dues applicable to it with the appropriate authorities except advance income tax of ₹373 lakhs is pending to be deposited since more than six months..
 - (b) According to the information and explanations given to us and the records of the Company examined by us, there were no outstanding dues in respect of income tax, duty of customs and other material statutory dues which as at March 31, 2019 have not been deposited on account of any dispute.
 - viii. According to the information and explanations given to us, there is no loan or borrowing taken from Government or has not been issued debenture during the year. The Company has not defaulted in repayment of loans or borrowing to bank.

- ix. According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans have been applied for the purposes for which raised.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees have been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on the audit procedures conducted by us, no the managerial remuneration has been paid or provided during the year. Accordingly, the provisions of Para 3 (xi) of the Order are not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of Para 3 (xii) of the Order are not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of Para 3 (xii) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For CHATURVEDI & CO.

Chartered Accountants
Firm Registration No. 302137E

PANKAJ CHATURVEDI

Partner
Membership No. 091239

New Delhi
April 24, 2019

Annexure B referred to in Independent Auditor's Report of even date to the members of Prakash Pipes Limited ("the Company") on the financial statements for the year ended March 31, 2019

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

We have audited the internal financial controls over financial reporting of Prakash Pipes Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

PANKAJ CHATURVEDI
Partner
Membership No. 091239

New Delhi
April 24, 2019

Balance Sheet

as at 31st March, 2019

₹ in lakhs

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
I. ASSETS			
(1) Non Current Assets			
(a) Property, Plant and Equipment	4	4,326	-
(b) Capital Work-in-progress	4	38	-
(c) Financial Assets			
(i) Other Financial Assets	5	82	-
(d) Other Non Current Assets	6	77	-
(e) Deferred Tax Assets(Net)	7	2,109	-
		6,632	-
(2) Current Assets			
(a) Inventories	8	1,738	-
(b) Financial Assets			
(i) Trade Receivables	9	3,163	-
(ii) Cash and Cash Equivalents	10	71	1
(iii) Loan	11	1,020	-
(iiii) Other Financial Assets	12	398	-
(c) Other Current Assets	13	1,031	-
		7,421	1
TOTAL ASSETS		14,053	1
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	14	2,042	1
(b) Other Equity	15	8,875	*
		10,917	1
LIABILITIES			
(1) Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	13	-
(ii) Non Current Liabilities	17	14	-
(b) Provisions	18	206	-
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	19		
-Total outstanding dues of Micro Enterprises and Small Enterprises		463	
-Total outstanding due of creditors other than Micro Enterprises and Small Enterprises		1,146	-
(ii) Other Financial liabilities	20	213	*
(b) Other current Liabilities	21	188	-
(c) Provisions	22	65	-
(d) Current tax Liabilities(Net)	23	828	-
TOTAL LIABILITIES		3,136	-
TOTAL EQUITY AND LIABILITIES		14,053	1

* Figure is less than one lakh

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

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

For and on behalf of the Board

Pankaj Chaturvedi
Partner
M.No.091239

V. P. Agarwal
Chairman
DIN:00048907

Vikram Agarwal
Director
DIN:00054125

New Delhi
24th April, 2019

Pawan Kumar
Company Secretary
M.No.FCS 7951

Dalip Kumar Sharma
Chief Financial Officer

Statement of Profit and loss for the year ended 31st March, 2019

₹ in lakhs

Particulars	Note No.	For the year ended 31st March, 2019	For the period ended 31st March, 2018
INCOME			
Revenue from operations	24	34,096	-
Other Income	25	459	-
Total Income		34,555	-
EXPENSES			
Cost of material consumed		26,075	-
Changes in inventories of finished goods and work-in-progress	26	140	-
Employee benefits expense	27	1,292	-
Finance costs	28	20	-
Depreciation expense	29	472	-
Other expenses	30	2,729	*
Total expenses		30,728	-
Profit before exceptional items and tax		3,827	*
Exceptional Items		-	-
Profit before tax		3,827	*
Tax expenses:			
Current tax		829	-
Deferred Tax		143	-
Total tax expense		972	-
Profit for the year		2,855	*
Other Comprehensive Income			
a) Items that will not be reclassified to Profit or Loss			
-Remeasurement of defined benefit plans		(27)	-
b) Income tax relating to items that will not be reclassified to profit or loss			
-Remeasurement of defined benefit plans		9	-
Total other comprehensive Income		(18)	*
Total Comprehensive Income for the year		2,837	*
Earning per equity share:			
(Face Value of ₹10/- each) (refer note 38)			
Basic ₹		13.98	(3.26)
Diluted ₹		13.36	(3.26)

* Figure is less than one lakh

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

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

For and on behalf of the Board

Pankaj Chaturvedi
Partner
M.No.091239

V. P. Agarwal
Chairman
DIN:00048907

Vikram Agarwal
Director
DIN:00054125

New Delhi
24th April, 2019

Pawan Kumar
Company Secretary
M.No.FCS 7951

Dalip Kumar Sharma
Chief Financial Officer

Statement of Changes in Equity for the year ended 31st March, 2019

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

	₹ in lakhs	
	Number of Shares	Amount
Balance as at 29th June, 2017	-	-
Addition during the year	10,000	1
Balance as at 31st March, 2018	10,000	1
Cancelled in pursuant to the scheme of demerger (refer note 14)	(10,000)	(1)
Equity Share Suspense account	2,04,18,354	2,042
Balance as at 31st March, 2019	2,04,18,354	2,042

B. Other Equity

Particulars	Reserves and Surplus					Other Comprehensive Income	Total
	Capital Reserve	Contingent Consideration (refer note 33)	General Reserve	Retained Earnings			
Balance as at 29th June, 2017	-	-	-	-	-	-	
Addition During the Year	-	-	-	*	-	-	
Balance as at 31st March, 2018	-	-	-	*	-	-	
Addition During the Year	5,943	95	-	-	-	6,038	
Profit for the year	-	-	-	1,864	(27)	1,837	
Transferred to General Reserve	-	-	1,000	-	-	1,000	
Balance as at 31st March, 2019	5,943	95	1,000	1,864	(27)	8,875	

* Figure is less than one lakh

Nature and purpose of Reserve

1. Capital Reserve :- The capital reserve is recognised in pursuant to the scheme of arrangement and demerger ("the scheme") between Prakash Industries limited (PIL) ("the demerged company") and Prakash Pipes Limited (PPL) ("the resulting company") as approved by the National Company Law Tribunal (NCLT) Chandigarh on March 14, 2019. This reserve is not freely available for distribution to the shareholders. In respect of cancellation of shares held by PIL, PPL has debited to its Equity Share Capital Account and corresponding credited to Capital Reserve to PPL.
2. Retained earning :- Retained earning comprise of the profits of the company earned till date net of distributions and other adjustments.
3. General Reserve: General Reserve is the portion of the net profit transferred by the Company during the year.

Statement of Cash Flow for the year ended 31st March, 2019

₹ in lakhs

Cash Flow Statement	For the year ended 31st March, 2019	For the period ended 31st March, 2018
A. Cash Flow From Operating Activities :		
Profit before tax	3,827	-
Adjustments for		
Provision for employee benefit	27	-
Allowance for doubtful debts and advances	5	-
Depreciation expenses	472	-
Interest & Other Income	(15)	-
Loss/(Profit) on sale of fixed assets	(18)	-
Financial Costs	20	-
Operating Profit before working Capital changes	4,318	-
Adjustments for		
Increase in Trade receivables	(331)	-
Increase in Other financial assets	(1,390)	-
Increase in Other current assets	(693)	-
Decrease in Inventories	238	-
Increase in Trade payable and other financial liabilities	589	-
Increase in Other current liabilities	59	-
Cash generated from operations	2,790	*
Direct Taxes Paid(Net of refund)	767	-
Net Cash from operating activities	2,023	
B. Cash Flow From Investing Activities:		
Proceeds from Sale of fixed assets	19	-
Payment for Property, Plant and Equipment including CWIP and capital advances	(2,031)	-
Interest received	17	-
Net cash used in investing activities	(1,995)	
C. Cash Flow From Financing Activities :		
Proceeds from Issue of Share Capital	-	1
Proceeds/(Repayments) from borrowings (Net)	9	-
Interest paid	(1)	-
Net Cash from financing activities	8	1
Net Changes in Cash & Cash equivalents (A+B+C)	36	1
Opening balance of Cash & Cash equivalents	1	-
Add: In pursuant of Demerger	34	-
Closing balance of Cash & Cash equivalents	71	1

* Figure is less than one lakh

The accompanying notes are an integral part of these financial statements
As per our report of even date attached

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

For and on behalf of the Board

Pankaj Chaturvedi
Partner
M.No.091239

V. P. Agarwal
Chairman
DIN:00048907

Vikram Agarwal
Director
DIN:00054125

New Delhi
24th April, 2019

Pawan Kumar
Company Secretary
M.No.FCS 7951

Dalip Kumar Sharma
Chief Financial Officer

Notes on Financial Statements

1. Company Overview

Prakash Pipes Limited (the "Company") is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India and company is incorporated on June 29, 2017 as subsidiary of Prakash Industries Limited. The Company is formed for the manufacturing of PVC pipes & fittings and packaging products. Pursuant to the National Company Law Tribunal (NCLT) order, PVC pipe and Packaging segment of Prakash Industries Limited has been demerged into Prakash Pipes Limited (Resulting Company) w.e.f April 1st , 2018 , being appointed date and pursuant to NCLT order Prakash Pipes Limited ceased to be a Subsidiary of Prakash Industries Limited from appointed date. (Demerged Company). The Company has its manufacturing facilities in India and sells products in India.

2. Recent accounting pronouncements

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

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

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

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

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

Certain practical expedients are available under both the methods.

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

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

Notes on Financial Statements

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

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

The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

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

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

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

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

The amendments require an entity:

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

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment

3. Significant Accounting policies

3.1 Basis of preparation

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

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

3.2 Critical accounting judgements and key sources of estimation uncertainty

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

Notes on Financial Statements

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

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

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

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

Key sources of estimation uncertainty

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

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

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

3.3 Operating Cycle and Current versus non-current classification

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

3.4 Revenue recognition

Revenue is recognized when control of a good or service transfers to a customer.

Five-step processes are applied before revenue can be recognized:

- Identify contracts with customers
- Identify the separate performance obligation
- Determine the transaction price of the contract
- Allocate the transaction price to each of the separate performance obligations, and
- Recognize the revenue as each performance obligation is satisfied.

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

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

Notes on Financial Statements

3.5 Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance.

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

3.6 Government grants

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

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

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

3.7 Property, plant and equipment

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

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

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

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

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

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

Notes on Financial Statements

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in financial statements.

3.8 Capital work-in-progress

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

3.9 Income tax

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

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

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

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

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

3.10 Leases

Leases are classified as finance leases whenever the terms of lease transfer substantially all the risks and rewards of ownership to the lessee. Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Operating Lease: Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of the time pattern in which economic benefits from leased assets are consumed. The aggregate benefit of incentives (excluding in inflationary increases where rentals are structured solely to increase in line with the expected general inflation to compensate for the lessor's inflationary cost increases, such increases are recognised in the year in which the benefits accrue) provided by the lessor is recognized as a reduction of rental expense over the lease term on a straight-line basis.

Finance Lease: Assets held under finance leases are initially recognized 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. Assets held under finance

Notes on Financial Statements

leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

3.11 Impairment of assets

Financial assets : The Company assesses on a forward-looking basis the expected credit losses associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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

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

3.12 Cash and cash equivalents

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

3.13 Provisions and Contingent Liabilities:

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

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

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

3.14 Inventories

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

Notes on Financial Statements

3.15 Non-derivative financial instruments

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

a. Financial assets – Subsequent measurement

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

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

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

b. Financial liabilities - Subsequent measurement

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

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

Derecognition

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

c. Offsetting of financial instruments

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

3.16 Employee Benefits

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

Post-employment benefit plans

Defined Contribution plans

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

Notes on Financial Statements

Defined benefit plans

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

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

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

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

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

3.17 Business combination – common control transaction

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

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

3.18 Earnings per share (EPS)

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

Notes on Financial Statements

4. Statement of property, plant and equipment , Capital Work-in-Progress, Intangible Assets and Intangible Assets under Development as at 31st March, 2019

Particulars	₹ in Lakhs									
	Land (Lease Hold)	Land (Free Hold)	Buildings	Plant and Equipment	Furniture and fixtures	Vehicles	Office Equipments	Mould & Dies	Total	Capital Work-in-Progress
Gross carrying value as at 1st April, 2018	-	-	-	-	-	-	-	-	-	-
Assets transfered in pursuant of Demerger	73	61	1,299	3,386	43	613	40	355	5,870	173
Additions	-	-	148	1,939	18	-	13	237	2,355	1,873
Disposals	-	-	-	16	-	-	-	-	16	-
Capitalisation During the year	-	-	-	-	-	-	-	-	-	2,008
Gross carrying value as at 31st March, 2019	73	61	1,447	5,309	61	613	53	592	8,209	38
Accumulated depreciation as at 1st April, 2018	-	-	-	-	-	-	-	-	-	-
Accumulated Depreciation transferred in pursuant of Demerger	20	-	941	1,935	37	282	38	173	3,426	-
Depreciation	1	-	22	268	2	60	3	116	472	-
Depreciation charged to Capital Work in Progress	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation on disposals	-	-	-	15	-	-	-	-	15	-
Accumulated depreciation as at 31st March, 2019	21	-	963	2,188	39	342	41	289	3,883	-
Carrying value as at 1st April, 2018	-	-	-	-	-	-	-	-	-	-
Carrying value as at 31st March, 2019	52	61	484	3,121	22	271	12	303	4,326	38

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

Notes on Financial Statements

5. Other Financial Assets

₹ in lakhs

	As at 31st March, 2019	As at 31st March, 2018
Non current financial assets		
(unsecured, considered good, unless otherwise stated)		
Security Deposits	82	-
	82	-

6. Other Non Current Assets

₹ in lakhs

	As at 31st March, 2019	As at 31st March, 2018
(unsecured, considered good, unless otherwise stated)		
Capital Advances	77	-
	77	-

7. Deferred Tax Assets(Net)

₹ in lakhs

	As at 31st March, 2019		As at 31st March, 2018	
MAT Credit Entitlement	2,163		-	
Less: Deferred Tax Liabilities(Net) (refer note no.36)	54	2,109	-	-
		2,109		-

8. Inventories

₹ in lakhs

	As at 31st March, 2019	As at 31st March, 2018
Current assets		
(As taken, valued and certified by the Management)		
Raw Materials	739	-
Finished Goods	739	-
Work In Progress	49	-
Stores, Spares & Fuels	204	-
Scrap & Waste	7	-
	1,738	-

9. Trade Receivables

₹ in lakhs

	As at 31st March, 2019	As at 31st March, 2018
Current financial assets		
Trade Receivable considered good-unsecured	2,966	-
Trade Receivable which have significant increase in credit risk	208	-
	3,174	-
Less: Trade Receivable-credit impaired	11	-
	3,163	-
The movement in allowance for bad and doubtful debts:		
Balance as at beginning of the year	-	-
In pursuant to scheme of demerger	6	-
Allowance for bad and doubtful debts during the year	5	-
Trade receivables written off during the year	-	-
	11	-

Notes on Financial Statements

10. Cash And Cash Equivalents

	₹ in lakhs	
	As at	As at
	31st March, 2019	31st March, 2018
Balances with banks:		
On Current Accounts	69	1
Cash on hand	2	-
	71	1

11. Loan

	₹ in lakhs	
	As at	As at
	31st March, 2019	31st March, 2018
Loan Receivable considered good-unsecured (refer note 37)	1,020	-
Loan Receivable which have significant increase in credit risk	-	-
	1,020	-
Less: Loan Receivable-credit impaired	-	-
	1,020	-

12. Other Financial Assets

	₹ in lakhs	
	As at	As at
	31st March, 2019	31st March, 2018
Current financial assets		
(Unsecured considered good, unless otherwise stated)		
Interest accrued	4	-
Claims Recoverable	397	-
	401	-
Less: Allowance for Claim Recoverable	[3]	-
	398	-
The movement in allowance for bad and doubtful Claims:		
Balance as at beginning of the year	-	-
In pursuant to scheme of demerger	3	-
Allowance for bad and doubtful debts during the year	-	-
Claim receivables written off during the year	-	-
	3	-

13. Other Current Assets

	₹ in lakhs	
	As at	As at
	31st March, 2019	31st March, 2018
(Unsecured considered good, unless otherwise stated)		
Balances with Customs, Central Excise, VAT etc.	448	-
Advances to vendors	552	-
Other advances(including prepaid expenses etc.)	31	-
	1,031	-

Notes on Financial Statements

14. Equity Share Capital

	₹ in lakhs	
	As at 31st March, 2019	As at 31st March, 2018
Authorised		
2,50,00,000 (31st March, 2018: 10,000) Equity Shares Of ₹10 each	2,500	1
	2,500	1
Issued, Subscribed and Paid Up		
Equity		
Nil (31 st March, 2018, 10,000) Equity Shares of ₹10 each	-	1
Equity Share Suspense account (refer note below)	2,042	-
	2,042	1

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

	₹ in lakhs			
	As at 31st March, 2019		As at 31st March, 2018	
Equity Shares				
Balance at the beginning of the year	10000	1	10000	1
Cancelled pursuant to the scheme of demerger (refer note c)	(10000)	(1)	-	-
Balance at the end of the year	-	-	10000	1

Notes:

- As consideration for the value of net assets transferred, the Company shall issue 2,04,18,354 equity shares of ₹10 each as fully paid-up aggregating to ₹20,41,83,540 to the existing shareholders of PIL as on the record date in the ratio of 8:1. Pending the allotment, this amount has been considered as equity share suspense account under Share Capital.
- Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is entitled to one vote per share. All equity Share holders are having right to get dividend in proportion to paid up value at each equity shares as and when declared. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all the preferential amounts, in proportion to their shareholding.
- With the issue and allotment of the new equity shares by PPL to the equity shareholders of PIL, in accordance with demerger to the scheme, in the books of PPL, all the equity shares issued by PPL to PIL and held by PIL as on 01st April, 2018 stand cancelled, extinguished and annulled on and from the effective date.

15. Other Equity

	₹ in lakhs	
	As at 31st March, 2019	As at 31st March, 2018
Capital Reserve on demerger	5,943	-
Retained Earnings	1,864	-
General Reserve	1,000	-
Other Comprehensive Income	(27)	-
Contingent consideration (refer note 33)	95	-
	8,875	-

Notes on Financial Statements

16. Borrowings

	₹ in lakhs	
	As at	As at
	31st March, 2019	31st March, 2018
Non current financial liabilities		
Secured		
Term Loan		
From Bank	7	-
Finance Lease Obligation (refer note 44)	6	-
	13	-

Terms and Conditions

-Term loan financed by Axis Bank @9% repayable in 60 equal instalments ending on 1st April, 2023 and the loan is secured against vehicle financed.

17. Non Current Liabilities

	₹ in lakhs	
	As at	As at
	31st March, 2019	31st March, 2018
Deferred Income	14	-
	14	-

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

18. Provisions

	₹ in lakhs	
	As at	As at
	31st March, 2019	31st March, 2018
For Employee Benefits (refer note 34)	206	-
	206	-

19. Trade Payables

	₹ in lakhs	
	As at	As at
	31st March, 2019	31st March, 2018
Current financial liabilities		
-Total outstanding dues of Micro Enterprises and Small Enterprises	463	-
-Total outstanding due of creditors other than Micro Enterprises and Small Enterprises	1,146	-
	1,609	-

20. Other Financial Liabilities

	₹ in lakhs	
	As at	As at
	31st March, 2019	31st March, 2018
Current Maturity of long term debts	2	-
Current Maturity of Finance lease obligations	1	-
Others		
Salary, wages and benefits payable	96	-
Other expenses payables	114	-
	213	-

Notes on Financial Statements

21. Other Current Liabilities

	₹ in lakhs	
	As at	As at
	31st March, 2019	31st March, 2018
Statutory dues payable	158	-
Advances from Customers	27	-
Deferred Income (refer note 17.1)	3	-
	188	-

22. Provisions

	₹ in lakhs	
	As at	As at
	31st March, 2019	31st March, 2018
For Employee Benefits (refer note 34)	65	-
	65	-

23. Current Tax Liabilities (Net)

	₹ in lakhs	
	As at	As at
	31st March, 2019	31st March, 2018
Provision for Income Tax (Net)	828	-
	828	-

24. Revenue From Operations

	₹ in lakhs	
	For the year ended	For the period ended
	31st March, 2019	31st March, 2018
Sale of products	34,096	-
	34,096	-

25. Other Income

	₹ in lakhs	
	For the year ended	For the period ended
	31st March, 2019	31st March, 2018
Interest Income	15	-
Miscellaneous income	426	-
Profit on Sale of Fixed Assets	18	-
	459	-

26. Change In Inventories Of Finished Goods And Work In Progress

	₹ in lakhs			
	For the year ended		For the period ended	
	31st March, 2019		31st March, 2018	
Closing Inventories				
Finished products	739		-	
Work in process	49		-	
Scrap and waste	7	795	-	-
Opening Inventories				
Finished products	891		-	
Work in process	37		-	
Scrap and waste	7	935	-	-
		140		-

Notes on Financial Statements

27. Employee Benefits Expenses

₹ in lakhs

	For the year ended 31st March, 2019	For the period ended 31st March, 2018
Salaries, wages and other benefits	1,218	-
Contribution to provident & other funds	60	-
Employee's welfare expenses	14	-
	1,292	-

28. Finance Costs

₹ in lakhs

	For the year ended 31st March, 2019	For the period ended 31st March, 2018
Interest	20	-
	20	-

29. Depreciation expense

₹ in lakhs

	For the year ended 31st March, 2019	For the period ended 31st March, 2018
Depreciation on tangible assets	472	-
	472	-

30. Other Expenses

₹ in lakhs

	For the year ended 31st March, 2019	For the period ended 31st March, 2018
Power and fuel	972	-
Processing Charges	22	-
Stores and spares	159	-
Repairs to:		
Machinery	172	-
Building	30	-
Others	1	-
	203	-
Insurance	3	-
Rates and taxes	12	-
Travelling and Conveyance	26	-
Vehicle maintenance	18	-
Auditor's remuneration:		
-Statutory Audit fees	10	-
Legal & professional charges	85	-
Miscellaneous expenses	40	-
Allowance for doubtful Debts & Advances	5	-
Bank Charges	1	-
Advertisement	32	-
Packing & forwarding charges	1,071	-
Sales promotion	70	-
	2,729	-

Notes on Financial Statements

31. Contingent Liabilities and other Commitments not provided for as at March 31, 2019 are as under.

Commitments	₹ in lakhs	
	As at 31st March, 2019	As at 31st March, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	325	-

32. Due to Micro and Small Enterprises:

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

Particulars	₹ in lakhs	
	For the year ended 31st March, 2019	For the period ended 31st March, 2018
(a) Dues remaining unpaid as at Balance Sheet date	463	-
-Principal amount		
-Interest amount		
(b) Interest paid in terms of section 16 of the Act, along with the amount of payment made to the supplier and service providers beyond the appointed day during the period	-	-
(c) Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during period) but without adding the interest specified under the act	-	-
(d) Further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises.	-	-
(e) Interest accrued and remaining unpaid as at Balance Sheet date	-	-

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

33. Demerger

- a) Pursuant to the order of National Company Law Tribunal (NCLT), Chandigarh, PVC pipes undertaking of Prakash Industries Limited has been demerged into Prakash Pipes Limited (Resulting Company) w.e.f April 1st, 2018, being appointed date and pursuant to NCLT order Prakash Pipes Limited ceased to be Subsidiary of Prakash Industries Limited from appointed date.
- b) Pursuant to the Scheme of Arrangement and Demerger ("the Scheme") under Section 230 to 232 of the Companies Act, 2013 between Prakash Industries Limited (PIL) ("the demerged company") and Prakash Pipes Limited (PPL) ("the resulting company") as approved by the National Company Law Tribunal (NCLT), Chandigarh on March 14, 2019.
 - i. The business, undertaking, activities, properties and liabilities, whatsoever nature and kind and whosoever situated, of PIL pertaining to PVC pipes business as on the appointed date (April 1, 2018) have been transferred to the PPL at their respective book values.

Notes on Financial Statements

II. Summary of assets and Liabilities transferred from PIL to PPL as on 1st April' 2018 as under:

Particulars	₹ in lakhs	₹ in lakhs
Assets		
Property Plant and Equipment including CWIP	2,617	
Financial Asset	3,244	
Other Assets	353	
Deferred Tax Assets (net)	2,243	
Inventories	1,976	10,433
Liabilities		
Financial Liabilities	1,246	
Other liabilities	121	
Current tax liabilities (net)	766	
Provisions	221	2,354
Net Assets Transferred		8,079

- III. (a) As consideration for the value of net assets transferred, the Company shall issue 2,04,18,354 equity shares of ₹10 each fully paid-up aggregating to ₹20,41,83,540 to the existing shareholders of PIL as on the record date in the ratio of 8:1. Pending the allotment, this amount has been considered as equity share suspense account under Share Capital.
- (b) The present FCCB holders of PIL that exercise the option of conversion (Converting FCCB holders) after record date, PPL shall issue corresponding number of equity shares as per the share entitlement ratio mentioned in the Scheme to such FCCB Holders upon allotment of equity shares of PIL. Pending the allotment, this amount has been considered as contingent consideration under other equity.
- IV. The difference between net assets transferred and aggregate face value of the new equity shares to be issued by the PPL to member of PIL is recorded as Capital Reserve.
- V. The assets of the PVC Pipes undertaking are concerned, the security, pledge, existing charges and mortgages, over such assets, to the extent that they relate to any loans or borrowings of the Remaining Business of PIL shall, without any further act, instrument or deed be released and discharged from the same and shall no longer be available as security, pledge, charges and mortgages in relation to those liabilities of PIL which are not transferred to PPL.

34. Details of Employees Benefits as required by the Ins AS 19 “Employee Benefits” are given below:-

A) Defined Contribution Plans:

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

A) Defined Contribution Plans:

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

Particulars	₹ in lakhs	
	For the year ended 31st March, 2019	For the period ended 31st March, 2018
Contribution to Provident Fund	45	-
Contribution to Employees' State Insurance	15	-

Notes on Financial Statements

₹ in lakhs

B) Defined Benefit Plan:

Reconciliation of opening and closing balances of Defined Benefit obligation

Particulars	For the year ended 31st March, 2019			For the period ended 31st March, 2018		
	(Unfunded)			(Unfunded)		
	Gratuity	Leave	Sick	Gratuity	Leave	Sick
Defined Benefits obligation at the beginning of the year	148	62	11	-	-	-
Current Service Cost	17	9	2	-	-	-
Interest Cost	11	5	1	-	-	-
Actuarial (gain)/loss	17	12	(1)	-	-	-
Benefit paid	(14)	(10)	-	-	-	-
Defined Benefit obligation at the year end	179	78	13	-	-	-
Reconciliation of fair value of assets and obligations						
Present value of obligation at year end	179	78	13	-	-	-
Amount recognized in Balance Sheet	179	78	13	-	-	-
Expenses recognized during the year						
Current Service Cost	17	9	2	-	-	-
Interest Cost	11	5	1	-	-	-
Actuarial gain/(loss)	(17)	(11)	1	-	-	-
Total Cost recognized in the Profit & Loss A/c	11	3	3	-	-	-

Actuarial assumption

Mortality Table (Ultimate)	IALM	IALM	IALM	IALM	IALM	IALM
	2006-08	2006-08	2006-08	2006-08	2006-08	2006-08
	(Ultimate)	(Ultimate)	(Ultimate)	(Ultimate)	(Ultimate)	(Ultimate)
Discount rate (per annum)	7.75%	7.75%	7.75%	-	-	-
Rate of escalation in salary (per annum)	5%	5%	5%	-	-	-

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

35. Income tax expense:

(A) Components of Income Tax Expenses

₹ in lakhs

	For the year ended 31st March, 2019	For the period ended 31st March, 2018
Current Tax	829	-
Deferred Tax on account of temporary differences	134	-
Tax expense recognized in the statement of Profit and Loss	963	-

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

₹ in lakhs

	For the year ended 31st March, 2019	For the period ended 31st March, 2018
Profit before tax	3827	-
Income tax expense at normal rate	1337	34.94%
Effect of income exempt from income tax	(452)	(11.81%)
Effect of temporary difference	(56)	(1.46%)
Tax expense recognized in the statement of Profit and Loss	829	21.66%

Notes on Financial Statements

(C) Tax Assets and Liabilities

₹ in lakhs

	As at 31st March, 2019	As at 31st March, 2018
Non-current tax assets	-	-
Current tax liabilities (net)	828	-

36. Movement in Deferred Tax Assets and Liabilities.

₹ in lakhs

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

37. Related party disclosure as required by Ind As -24 issued by Ministry of Corporate Affairs (MCA) are as under:-

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

1. Prakash Industries Limited

(B) Key Management Personnel :

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

(C) Transactions with the related parties.

₹ in lakhs

	For the year ended 31st March, 2019	For the period ended 31st March, 2018
Key Management personnel		
Remuneration	3	-
Enterprises		
Interest Received	13	-
Loan Given (Net of repayment)	1020	-
Loan as on 31st March, 2019	1020	-

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

Notes on Financial Statements

38. Earning per share (EPS)

₹ in lakhs

	For the year ended 31st March, 2019	For the period ended 31st March, 2018
Net Profit for the period (before OCI)	2855	-
Weighted average no. of Equity Shares	204	-
Diluted average no. of Equity Shares	214	-
Basic Earning per Share (₹)*	13.98	(3.26)
Diluted Earning per Share (₹)*	13.36	(3.26)
Face Value of each Share (₹)	10	10

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

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

39. The Board of Directors have recommended dividend of ₹1.2 per equity share of ₹10 each for the year 2018-19 subject to the approval of members at the Annual General meeting.

40. Segment Information:

Operating Segments

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

- PVC Pipe and fitting
- Flexible Packaging

₹ in lakhs

Particulars	For the year ended 31st March, 2019	For the period ended 31st March, 2018
Segment Revenue		
a) PVC Pipe and Fitting	33296	-
b) Flexible Packaging	800	-
Total	34096	-
Net Sales/Income from Operations		
Segment Results		
Profit before tax and interest		
a) PVC Pipe and fitting	4301	-
b) Flexible Packaging	(406)	-
c) Unallocated	(48)	-
Total	3847	-
Less : Financial Expenses	20	-
Exceptional Item	-	-
Total Profit before tax	3827	-
Segment Assets	As at 31st March, 2019	As at 31st March, 2018
a) PVC Pipe and Fitting	9188	-
b) Flexible Packaging	2756	-
c) Unallocated	2109	-
Total	14053	-
Segment Liabilities		
a) PVC Pipe and fitting	1791	-
b) Flexible Packaging	246	-
c) Unallocated	1100	-
Total	3137	-

Notes on Financial Statements

41.

(a) Fair value measurements

₹ in lakhs

	31st March 2019			31st March 2018		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Non-Current assets						
Financial assets						
-Other financial assets	-	-	82	-	-	-
Current assets						
Financial assets						
Trade receivable	-	-	3163	-	-	-
Cash and cash equivalents	-	-	71	-	-	-
Current loan	-	-	1020	-	-	-
Other financial assets	-	-	398	-	-	-
Total financial assets	-	-	4734	-	-	-
Non-current liabilities						
Financial liabilities						
Borrowings	6	-	7	-	-	-
Non-current liabilities	-	-	14	-	-	-
Current liabilities						
Financial liabilities						
Trade payable	-	-	1609	-	-	-
Other financial liabilities	-	-	213	-	-	-
Total financial liabilities	-	-	1843	-	-	-

(b) Fair value hierarchy

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

₹ in lakhs

Assets and liabilities which are measured at amortized cost for which fair values are disclosed as at 31st March 2019	Level 1	Level 2	Level 3	Total
Non-Current assets				
Financial assets				
-Other financial assets	-	-	82	82
Current assets				
Financial assets				
Trade receivable	-	-	3163	3163
Cash and cash equivalents	-	-	71	71
Current loan	-	-	1020	1020
Other financial assets	-	-	398	398
Total financial assets	-	-	4734	4734
Non-current liabilities				
Financial liabilities				
Borrowings	-	-	13	13
Non-current liabilities	-	-	14	14
Current liabilities				

Notes on Financial Statements

₹ in lakhs

Assets and liabilities which are measured at amortized cost for which fair values are disclosed as at 31st March 2019	Level 1	Level 2	Level 3	Total
Financial liabilities				
Trade payable	-	-	1609	1609
Other financial liabilities	-	-	213	213
Total financial liabilities	-	-	1843	1843

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

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

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

42. Maturities of financial liabilities

₹ in lakhs

Non derivative financial liabilities	Within 1 year	1-2 year	More than 2 year	Total
Borrowing	2	2	5	9
Finance lease obligation	1	1	5	7
Trade payables	1609	-	-	1609
Other	210	-	-	210
	1822	3	10	1835

43. Financial risk management and policies

Capital risk management

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

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

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

Capital management

(a) The company objectives when managing capital are to

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

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

₹ in lakhs

	31st March 2019	31st March 2019
Net debt	9	-
Total equity	2042	-
Net debt to equity ratio	0.44%	-

Notes on Financial Statements

Financial risk management

The Company's principal financial liabilities and financial assets comprise of other payables and cash and cash equivalents respectively. Hence, the Company does not have exposure to various financial risks such as market risk, credit risk and liquidity risk.

Credit risk

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

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

At March 31, 2019, the company did not consider there to be any significant concentration of credit risk, which had not been adequately provided for. The carrying amount of the financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the maximum exposure to credit risk.

Expected credit loss for trade receivables under simplified approach

Ageing					₹ in lakhs
	Not due	0-30 days	31-60 days	More than 60 days	Total
Gross carrying amount – trade receivable	2966	79	59	70	3174
Expected credit losses	-	(2)	(1)	(8)	(11)
Carrying amount of trade receivables (net of impairment)	2966	77	58	62	3163

44. Disclosure of Financial Lease hold land as per Ind As -17 -Leases

Particulars					₹ in lakhs
	Carrying Value	Less than 1 year	1-5 years	> 5 years	Total payments
As at 31st March, 2019					
Lease hold land (Assets)	45	-	-	-	-
Minimum lease payment	37	1	3	33	37
Present value of minimum lease payments	7	1	3	3	7

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

45. The previous figures are not comparable with the figures of current year, as the current year figures includes the figures of PVC pipes undertaking on account of demerger with effect from 1st April, 2018.

As per our report of even date attached

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

For and on behalf of the Board

Pankaj Chaturvedi
Partner
M.No.091239

V. P. Agarwal
Chairman
DIN:00048907

Vikram Agarwal
Director
DIN:00054125

New Delhi
24th April, 2019

Pawan Kumar
Company Secretary
M.No.FCS 7951

Dalip Kumar Sharma
Chief Financial Officer



Prakash Pipes Limited

Corporate Office

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