



# Prakash Pipes Limited

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

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PPL/SE/AR/2021

2<sup>nd</sup> September, 2021

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 the Financial Year 2020-21 alongwith notice of the 4<sup>th</sup> Annual General Meeting***

Dear Sir / Madam,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith Annual Report of the Company for the financial year 2020-21 alongwith notice of AGM and the same is also available on the website of the Company viz. [www.prakashplastics.in](http://www.prakashplastics.in)

This is for your information and record please.

Thanking you,

Yours faithfully,  
For **Prakash Pipes Limited**

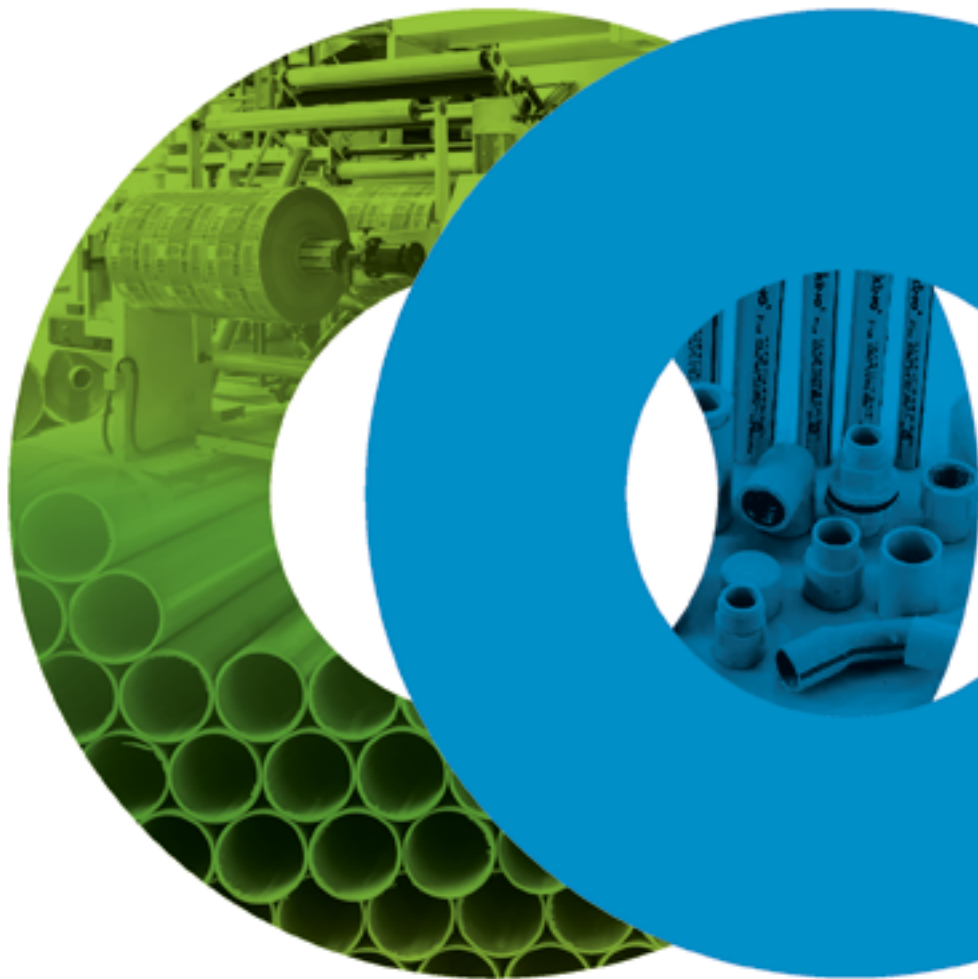
**(Sonu Sharma)**  
**Company Secretary**

Encls : Annual Report





# Creating tomorrow with today



# Creating tomorrow with today

Prakash Pipes has grown revenues at a CAGR of 18.2% from ₹341.0 crores in FY2018-19 to ₹476.2 crores in FY2020-21

This makes the Company one of the fastest growing in its sectors of presence.

This growth has been driven by timely investment, brand visibility, accrual-based investing, value-addition and backward integration.

More than anything, the Company's success has been driven by the trust it has inspired across all stakeholders, enhancing systemic stability.

This trust has been derived from the capacity to provide solutions and a peace of mind that prompts the observation that 'If it is Prakash Pipes, then we don't need to worry.'

The foundation that has been laid today is expected to create an empire tomorrow.

## Forward looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take 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 'anticipate', 'estimate', '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 realised, although we believe we have been prudent in assumptions. The achievements of results are 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 keep 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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# Corporate Information

## Board of Directors

Mr. V. P. Agarwal - *Chairman*

Mr. Kanha Agarwal - *Managing Director*

Mr. Vikram Agarwal - *Director*

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

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

Ms. Parveen Gupta - *Independent Director*

## Company Secretary

Mr. Sonu Sharma

## Statutory Auditors

Chaturvedi & Co.  
*Chartered Accountants*

## Bankers

Kotak Mahindra Bank

IDBI Bank

ICICI Bank

## Registered Office

Darjyan 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](http://www.prakashplastics.in)

## Email

[pplho@prakash.com](mailto:pplho@prakash.com)



# Our business strengths

Operational  
efficiencies derived  
through backward  
and forward  
integration

Net-debt-free  
Balance Sheet

Strengthened  
recognition of the  
*Prakash* brand

Positive cash flows

Focus on steady  
and sustainable  
growth

Capex through  
internal accruals

Building  
customer  
trust through  
uncompromised  
quality and in-time  
delivery



# The exciting world of Prakash Pipes

## Capacities

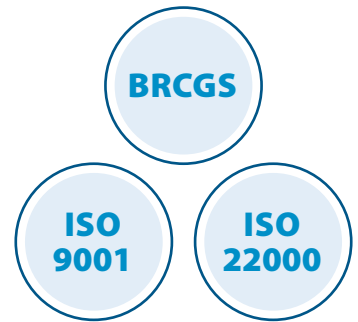
The Company's capacity has steadily grown to 60,000 MTPA and counting in the Company's PVC pipes & fittings business. The installed capacity of the flexible packaging business has grown to 14,400 MTPA.

## Locations

The PVC pipes and fittings plant is located in Kashipur (Uttarakhand) spread across 60 acres, with more than 50% of the area being utilised for forestation and plantation. The Company's state-of-the-art flexible packaging plant is located adjacent to the PVC pipes and fittings unit.

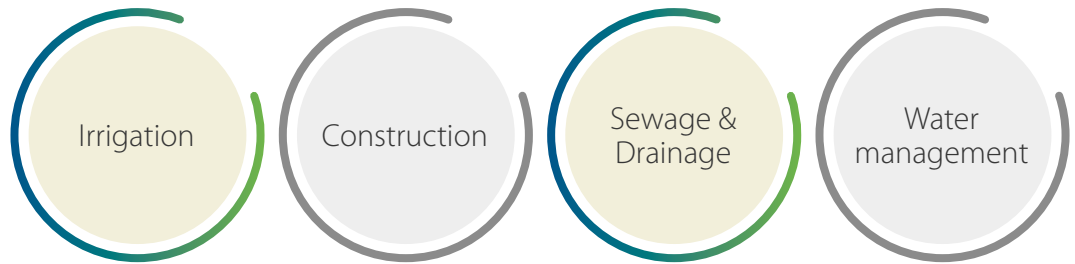
## Certifications

The Company's manufacturing units are certified for BRCGS (global standard for packaging and packaging materials), ISO 22000:2018 (food safety management), ISO 9001:2015 (standard quality maintenance) and ISO 9001 (quality management system).



## Our PVC pipes & fittings

## Applications



UPVC pipes



Casing pipes



Column pipes



SWR pipes

Plumbing pipes



CPVC pipes



Garden pipes



Fittings



## Products

## Our flexible packaging applications

Our laminated rolls and pouches are used in a variety of products of everyday consumption

### FMCG

Cosmetics, Shampoos and conditioners, Soaps and detergents, Edible oils, Juices and drinks

### Food & Beverages

Chips / Fryums, Biscuits, Noodles, Frozen food, Sugar, Dairy products, Cereals, Spices, Tea and coffee

### Medical & Pharmaceuticals

Oral Rehydration Solutions, Contraceptives, Testing kits, Syringes and Blister packs

### Infrastructure and others

Motor oil and lubricants, Paints, Fertilisers, Cement, Electrical components and Adhesives

# Creating tomorrow with today

*Dear Shareholders*

## Overview

When we had demerged our Company a few years ago, there was a unanimity within our team that the business would need to be built on proactive investments that would position us ahead of the sectorial curve.

We built our Company around three themes - deployment of cutting-edge technologies; integrity, supply consistency, and extension of our products into a solution; ease of product access-availability-affordability to customers.

These themes have been the biggest drivers behind the Company's rapid growth in the last few years, resulting in record earnings during the last financial year and enhanced value for our shareholders.

## Broadbasing, deep-basing and up-basing

We extended from manufacturing PVC pipes to flexible packaging, broadbasing the Company's dependence from one business (and limited influence) to two businesses (wider influence). The result is that we enhanced organisational stability that enhanced the predictability of our operations and services.

We deep-based wherever possible. For instance, the Company integrated backwards in its flexible packaging business with the addition of Printing Ink, Blown PE film and Rotogravure cylinder manufacturing that enhanced finished product quality, manufacturing efficiency and working capital stability.

We up-based offerings that helped widen the product basket. For instance, the Company extended from the usual PVC pipes & fittings range to the special purpose CPVC pipes & fittings portfolio

that addressed the needs of the household sector. The ability to provide a wider product portfolio strengthened our positioning as a single-stop solutions provider.

## Protecting our people during the pandemic

The role of 'creating the future with today' was emphasised during the pandemic. Employees needed to be assured of their livelihoods; vendors needed to be assured of volumes when the markets recovered; customers needed to be assured of the Company's preparedness to service their needs; the community needed to be cared for in a social crisis. Each of our stakeholders required interventions to enhance their sustainability.

I am pleased to communicate that Prakash Pipes played the role of a supportive partner through this challenging phase. The Company provided employees with a safe and hygienic working environment; it assured all stakeholders of business continuity; it addressed the needs of communities peripheral to its manufacturing location as well as that of migrant labourers through timely interventions; it supported the district administration in arranging oxygen concentrators, ventilators, medicines and PPE kits as and when required during the pandemic.

## Environment, Social and Governance practices

At the Company, we deepened our environment commitment through an investment in technologies, practices and processes to generate a lower carbon footprint. Our processes optimise resource consumption; the overarching culture of

our organisation is to make more with less.

We strengthened our 'social' commitment through initiatives that enhanced employee retention, vendor stability, customer retention and community welfare.

We reinforced our 'governance' through strategic clarity; this provided our stakeholders with a perspective of how we intend to grow our business.

The convergence of priorities related to the environment, social and governance has enhanced trust across our stakeholders, increased organisational stability and strengthened organisational value as appraised by the conventional measures of financial growth and valuation.

## Outlook

At Prakash Pipes, we see our Company as an attractive proxy of the growth of the agricultural sector on the one hand and the FMCG consumer spending on the other. We believe that these sectors are poised for sustainable growth for various reasons: increased focus on water security, agriculture infrastructure and farm profitability for the PVC pipes & fittings sector; enhanced attention being paid to product shelf-life and content freshness for the flexible packaging sector.

By the virtue of a large addressable market, debt-lightness and accruals deployment in business growth, the Company expects to enhance revenues by ~20% CAGR in the next two years and generate superior long-term value for our shareholders.

**Kanha Agarwal,**  
*Managing Director*

## Business segment

## PVC pipes and fittings



**Value-added products:** The Company added CPVC pipes & fittings to its portfolio in December 2020 where realisations are 5% higher than UPVC pipes. The objective will be to increase the proportion of revenues from the CPVC segment in FY2021-22.

**Brand recall:** The Company is the undisputed market leader in North India under the Prakash brand that is respected for 'Lay it, forget it'. Products are distributed

through more than 600 dealers and retail counters. The Company strengthened its dealer franchise across the markets of its presence.

**Supply chain:** The business experienced an increase in raw material prices, which was passed on to customers. By the virtue of engaging with a large Indian raw material supplier around a long-term agreement, the Company protected its resource availability and costs.

### Overall performance review

- Revenues stood at ₹476.15 crores, 23.63% growth over the previous year.
- EBITDA stood at ₹42.83 crores, 26.29% growth over the previous year.
- PAT increased by 43.90% y-o-y.
- EBITDA margin strengthened to 12.73%.
- RoCE improved to 18.46%.

**Strategy:** The Company intends to increase revenues through a deepening presence in existing markets, enhancing logistical and brand economies, which could strengthen market coverage and market share.

## Business segment

## Flexible packaging



**Backward integration:** The Company invested in equipment from India's leading suppliers, marked by high manufacturing efficiency and product quality. Within only a few years, the Company created a pan-India and export presence by focusing on value-added packaging segments like specialised pouches and WPP bags. Further,

the business was integrated backwards into the manufacture of blown PE films, printing inks and printing cylinders.

**Clientele:** The Company services the growing needs of FMCG brands like CG Group, Cornitos, Patanjali, Anmol, Cremica, Creambell, Crax, Amul and Bambino, among others.

**Growing footprint:** The flexible packaging business reported attractive growth from ₹54.18 crores in turnover in FY2019-20 to ₹126.81 crores in FY2020-21. This growth was facilitated by successive capacity expansions, new customers accretion and stronger customer engagements that resulted in a larger wallet share.

**Capacity and capex:** The business operated at 60% capacity utilisation during the year under review; the absence of panic food stocking by consumers, as well as the continued closure of schools, moderated market demand that affected flexible packaging offtake. The Company intends to enhance installed capacity from 14,400 MTPA to 19,200 MTPA during the current financial year, funded through internal accruals. The enhanced capacity will provide existing and prospective customers the confidence to initiate supplies or buy larger volumes from the Company.

**Certifications:** Coupled with larger scale and credible certifications of BRCGS, ISO and SEDEX, the segment is expected to accelerate the Company's scale, competitiveness and profitability.



# How we are enhancing shareholder value



## Verticalisation



PVC pipes & fittings

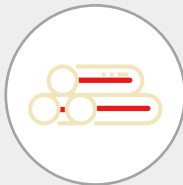


Flexible packaging

## Value-added products



Increasing range of PVC fittings

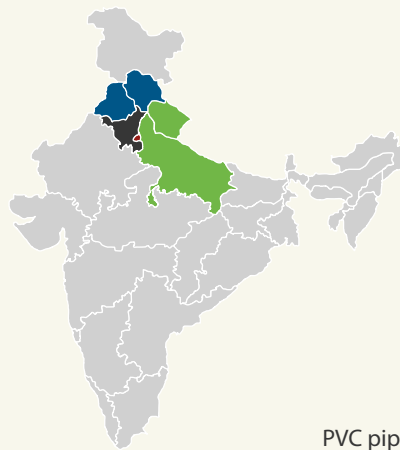


Forayed into CPVC pipes & fittings



Customised flexible packaging pouches

## Geographic focus



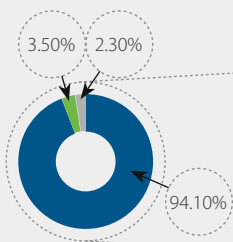
PVC pipes & fittings



Flexible packaging

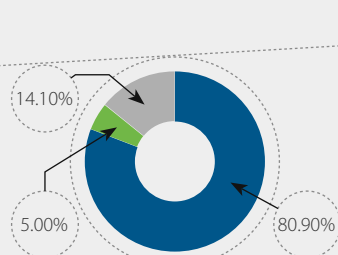
## Improving revenue mix

₹341.00 crores



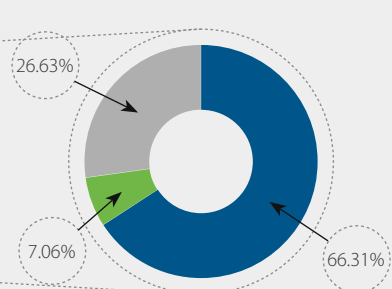
FY2018-19

₹385.14 crores



FY2019-20

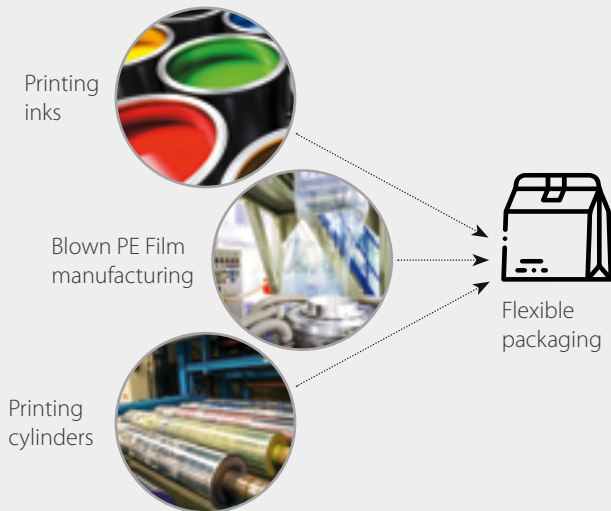
₹476.15 crores



FY2020-21

■ PVC pipes ■ PVC fittings ■ Flexible packaging

## Backward integration



## Growth out of accruals



Year	FY2020-21	FY2019-20
Accruals* (₹ crores)	49.10	16.29
Investment (₹ crores)	32.93	15.32
Investment in capacity addition as a % of accruals deployment	67	94

## Our accruals-driven capacity growth

PVC pipes business	Existing capacity	Proposed addition	Projected capacity
	<b>60,000</b> MTPA	<b>7,000</b> MTPA	<b>67,000</b> MTPA (upto FY2021-22)
	<hr/>		
Flexible packaging business	Existing capacity	Proposed addition	Projected capacity
	<b>14,400</b> TPA	<b>4,800</b> MTPA	<b>19,200</b> MTPA (upto FY2021-22)

## Ride marquee relationships

# Prakash

## Key clientele of our flexible packaging business



\*Accruals = Opening Cash + Net Cash from Operating Activities + Net Cash from financing activities  
Investment = Net Cash used in investing activities

# Management discussion and analysis

## Indian economic review

The Indian economy passed through one of the most volatile periods during FY2020-21.

The outbreak of the novel coronavirus and the consequent suspension of economic activities due to the pandemic-induced lockdown, coupled with muted consumer sentiment and investments, had a severe impact on the Indian economy during the first quarter of the year under review. The Indian economy de-grew 23.9% in the first quarter of FY2020-21, the sharpest de-growth experienced by the country since the index was prepared.

The Indian and state governments selectively lifted controls on movement, public gatherings and events from June 2020 onwards, each stage of lockdown relaxation linked to corresponding economic recovery. India's relief consumption, following the lifting of social distancing controls, translated into a full-blown economic recovery. A number of sectors in India – real estate, steel, cement, home building products and consumer durables, among others - reported unprecedented growth. India de-grew at a relatively improved 7.5% in the July-

September quarter and reported 0.4% growth in the October-December quarter and a 1.6% growth in the last quarter of the year under review.

India's GDP contracted 7.3% during FY2020-21, largely on account of the sharp depreciation of the first two quarters. The sharp Indian recovery in the second, third and fourth quarters – among the most decisive among major economies – validated India's long-term consumption potential.

## Indian economic reforms and recovery

There were a number of features of the Indian economy during the year under review.

During FY2020-21, while the Agricultural sector posted a growth of 3%, the Industrial sector contracted by (-) 7.4% and the Services sector was hit the hardest with a decline of (-) 8.4%. As a result, consumption expenditure declined (-) 7.1% while Gross Fixed Capital Formation contracted (-) 12.4%. A decline in global commodity prices helped contain inflation, with Consumer Price Index inflation rising 6.18% and Wholesale Price Index inflation rising 1.2% during the year.

India reported improving Goods and Services Tax (GST) collections month-on-month in the second half of FY2020-21 following the relaxation of the lockdown, validating the consumption-driven improvement in the economy.

India's per capita income was estimated to have declined 5% from ₹1.35 lakhs in FY2019-20 to ₹1.27 lakhs in FY2020-21,

which was considered moderate in view of the extensive demand destruction of the first two quarters of FY2020-21.

A slowdown in economic growth and inflation weakened the country's currency rate nearly 2.83% in 2020 from ₹71.28 to ₹73.30 to a US dollar before recovering towards the close of the financial year.

India's foreign exchange reserves continued to be in record-setting mode – FY2020-21 saw a USD101.5 billion dollar accretion in reserves, the steepest rise in foreign exchange reserves in any financial year; India's forex reserves are ranked third after Japan and China and can cover more than a year's import payments.

The gap between government expenditure and revenue was estimated at ~₹12 trillion due to increased borrowings by the government in May 2020 to address the COVID-19 outbreak.

India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business

ranking and was the only country in the emerging market basket that received positive FPIs of USD 23.6 billion in 2020; the country ranked eighth among the world's top stock markets with a market capitalisation of USD 2.5 trillion in 2020.

The Indian government initiated structural reforms in agriculture, labour laws and medium-small enterprise segments. The labour reforms were intended to empower MSMEs increase employment, enhance labour productivity and wages.

India extended the Partial Credit Guarantee Scheme by relaxing the criteria and allowing state-owned lenders more time to purchase the liabilities of shadow banks. Under the ₹45,000-crores partial credit guarantee scheme, announced as a part of the Atmanirbhar Bharat package, three additional months were given to banks to purchase the portfolio of non-banking financial companies.

The government approved amendments to the Essential Commodities Act and

brought an ordinance to allow farmers to sell their crop to anyone; the changes to the Essential Commodities Act, 1955, were intended to 'deregulate' agricultural commodities (cereals, pulses, oilseeds, edible oils, onions and potatoes from stock limits). The government approved the Farming Produce Trade and Commerce (Promotion and Facilitation) Ordinance, 2020, to ensure barrier-free trade in agriculture produce.

The Government relaxed foreign direct investment (FDI) norms for sectors like defence, coal mining, contract manufacturing and single-brand retail trading.

The Union Cabinet approved the production-linked incentive (PLI) scheme for 10 sectors: pharmaceuticals, automobiles and auto components, telecom and networking products,

advanced chemistry cell batteries, textile, food products, solar modules, white goods and specialty steel. These incentives could attract outsized investments, catalysing India's growth journey.

#### Outlook

The emergence of the second COVID-19 wave affected the outlook for FY2021-22; real GDP growth for FY2021-22 is expected to be 9.5%.

#### Y-o-Y growth of the Indian economy

	FY18	FY19	FY20	FY21
Real GDP growth (%)	7	6.1	4.2	(7.3)

#### Growth of the Indian economy, FY2020-21

	Q1	Q2	Q3	Q4
Real GDP growth (%)	(23.9)	(7.5)	0.4	1.6

(Source: Economic Times, IMF, EIU, Business Standard, McKinsey)

## Indian PVC pipes & fittings industry overview

The total capacity of PVC polymers in India was an approximate 1.64 MTPA in 2020. The industry is poised to grow at a 10% CAGR over FY2024-25E to reach >₹500 billion by FY2024-25E from ~₹300 billion currently.

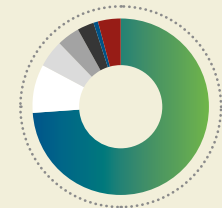
In terms of category, a major part of the PVC market is dominated by pipes & fittings, which account for over 40% of the overall demand of the market in India. This is accounted by the extensive use of PVC in the production of water distribution and underground irrigation pipes. The government policies for promoting piped water supply facilities in rural and urban areas have catalysed the demand for PVC pipes & fittings in India.

The market size of CPVC pipes & fittings is expected to increase from ₹45 billion in

FY2019-20 to ₹103 billion by FY25E. CPVC pipes & fittings are the fastest growing segment in the pipes sector, which is expected to report 18% CAGR over FY2024-25E.

The agriculture and construction sectors constitute a major market for PVC pipes & fittings. However, due to a slowdown in the Indian economy, excessive increase in commodity prices and disruption in construction activities, there was a demand decline for PVC pipes during the last year.

#### Indian PVC demand share



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

(Source: PRnewswire, Globenewswire, icis.com)

## Demand drivers

**Rising urbanisation:** The population of the country is anticipated to rise from 1.39 billion in 2020 to 1.52 billion by 2036, with urbanisation estimated to rise from an approximate 35% to 39% during this period.

**Real estate:** Increasing incomes, rise in nuclear families and growing demand for commercial office space have been a catalyst for real estate growth and are expected being demand drivers, increasing the demand for PVC pipes.

**Agricultural:** Accounting for the livelihood of nearly 58% of the Indian population, the agricultural sector is the largest consumer of water in the country. The country has experienced an increase in the yield of crops with rice, wheat, barley and corn production amounting to 117.94, 103, 1.85 and 27.5 million tonnes, which is anticipated to catalyse the growth of the pipes sector.

**Irrigation:** The country's irrigation sector is expected to offer business opportunities to various stakeholders, including engineers,

equipment providers and financiers, procurement and construction (EPC) contractors and project developers.

**Water management:** India uses an estimated 2-3x water per unit of crop compared to agricultural nations like China, Brazil and United States. The country is expected to make a transition from conventional flood irrigation to drip irrigation, which could, in turn, strengthen the demand for PVC pipes and fittings.

(Source: PIB, Statista, The Wire, NDTV, Business Standard)

## Government initiatives

### Agriculture

- As per the Union Budget FY2021-22, the government allocated ₹4,000 crores towards implementing Pradhan Mantri Krishi Sinchayee Yojana (PMKSY-PDMC).
- The Ministry of Food Processing was allocated ₹1,308.66 crores (USD 180.26 million) in the Union Budget FY2021-22.

### Irrigation

- The Government of India launched the Pradhan Mantri Krishi Sinchai Yojana (PMKSY) with an initial investment of ₹50,000 crores aimed at the development of irrigation sources for providing a permanent solution to drought.
- Accelerated Irrigation Benefits Programme, Bharat Nirman Programme, Participatory Irrigation Management, Interlinking of Rivers (ILR) Programme, and Command Area Development and Water Management are anticipated to widen the irrigation sector.

### Real estate

- The Atmanirbhar Bharat 3.0 package announced by the Finance Minister in

November 2020 comprised income tax relief measures for real estate developers and homebuyers for primary purchase or sale of residential units of value (up to ₹2 crores from 12th November, 2020 to 30th June, 2021).

- To revive an estimated 1,600 stalled housing projects across the top cities in India, the Union Cabinet approved the setting up of an alternative investment fund (AIF) worth ₹25,000 crores.
- The Government created an Affordable Housing Fund (AHF) in the National Housing Bank (NHB) with an initial investment of ₹10,000 crores, using the priority sector lending shortfall of banks/ financial institutions for micro financing the HFCs. (Source: IBEF)

### AMRUT

- The Government of India launched the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) with the aim of providing basic civic amenities like water supply, sewerage, urban transport and parks.

- With an outlay of ₹50,000 crores between FY2015-16 to FY2019-20, the Mission is focused on covering 500 cities and towns with a population of over one lakh people within notified municipalities.

### Jal Jeevan Mission (JJM)

- The Jal Jeevan Mission (Urban) is proposed to cover the gap in urban household tap connections estimated at 2.68 crores units as well as in sewer connections/septages in 500 AMRUT cities, which is estimated at 2.64 crores units.
- The government is expected to make a provision of ₹1.35 lakhs crore for the mission from April 2021 to 31st March, 2026.
- Rejuvenation of water bodies to augment sustainable fresh water supply and creating green spaces and sponge cities to reduce floods and enhance amenity value through an Urban Aquifer Management plan are other key areas of the Mission. (Source: Economic Times, PIB.gov)

## Indian flexible packaging Industry overview

The flexible packaging sector is one of the fastest growing segments in the packaging industry. The flexible packaging market in India was valued at ₹456.24 billion in 2019 and is expected to reach ₹1,149.45 billion by 2025, increasing at a CAGR of approximately 16.66%. The market for flexible packaging is anticipated to strengthen, following the expansion of organised retail and online retail.

An increase in the demand for convenience products has been recorded with

portable and disposable packaging for food & beverages, electronics, personal care, health & hygiene and consumer durables industries progressively adopting convenient packaging options, catalysing the growth of the flexible packaging market in India.

The COVID-19 pandemic had a varied impact on the packaging industry. The industry segments catering to essential services, such as fresh and processed food, hygiene and home care products,

healthcare consumables and e-commerce, witnessed a major rise in demand for flexible packaging services. The non-essential segments experienced a short-term contraction in demand. As a result of this, established players capitalised on the opportunity, strategically allocating their resources. Furthermore, these players covered losses incurred for the other end-user industries not falling under the essentials category. (Source: CRI report)

## Sectoral growth drivers

- Being the fourth-largest sector in the Indian economy, the FMCG sector represents the largest opportunity for flexible packaging. Sub-segments like food & beverages and personal care are major end-user segments of flexible packaging in India. With the growth of this market, the demand for flexible packaging is anticipated to sustain its growth.

- India's urbanisation is expected to rise from 35% to 39% over the coming decade, resulting in an increase in packaging industry demand in the country on account of an increase in the urban population.
- In April 2021, the Government of India approved a PLI scheme for the food processing sector with an incentive outlay

of ₹10,900 crores (USD 1,484 million) over six years starting FY22.

- Demand for organised, hygiene focused and off-the-shelf products is increasing. India's per capita consumption of packaging is only ~4.5 Kg as against over 20 Kg in China and 42 Kg in Germany, indicating an attractive opportunity.



## Financial overview

**Revenues:** Revenues from operations reported a 23.63% growth from ₹385.14 crores in FY2019-20 to ₹476.15 crores in FY2020-21.

**Expenses:** Total expenses of the Company increased 20.46% from ₹354.91 crores

in FY2019-20 to ₹427.51 crores due to business growth. Raw material costs, accounting for a 84.07% share of the Company's total expenses, increased by 19.78% from ₹300.06 crores in FY2019-20 to ₹359.40 crores in FY2020-21 owing to

an increase in operational scale. Employee expenses, accounting for a 5.45% share of the Company's total expenses, increased by 23.10% from ₹18.92 crores in FY2019-20 to ₹23.29 crores in FY2020-21.

## Key ratios

Particulars	FY2020-21	FY2019-20
Operating Profit Margin (%)	12.73	11.02
Net Profit Margin (%)	7.48	6.42
EBITDA/Net interest ratio	41.24	25.72
Debt-equity ratio (x)	Nil	Nil
Return on equity (%)	18.58	18.69
Book value per share (₹)	80.09	64.81
Earnings per share (₹)	17.08	12.12
Debtors' Turnover (days)	32	33
Inventory Turnover (days)	43	29
Current Ratio (x)	3	2

## Risks and concerns

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

risk management process, which is integrated with its operations. This enables the Company to identify, categorise and prioritise operational, financial and strategic business risks. To address the

identified risks, the Company continues to spend significant time, effort and human resources to manage and mitigate such risks.

## Internal control systems and their adequacy

The Company's internal audit system has been continuously monitored and updated to ensure that assets are safeguarded, established regulations are complied with and pending issues are addressed

promptly. The audit committee reviews reports presented by the internal auditors on a routine basis. The committee makes note of the audit observations and takes corrective actions, if necessary. It maintains

constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively.

## Human resources and industrial relations

The Company believes that the quality of the employees is the key to its success and is committed to equip them with skills, enabling them to seamlessly evolve with ongoing technological advancements.

During the year, the Company organised training programmes in different areas such as technical skills, behavioural skills, business excellence, general management, advanced management, leadership skills,

customer orientation, safety, values and code of conduct. The Company's employee strength stood over 500 as on 31st March, 2021.

# DIRECTORS' REPORT

*To the members*

Dear Shareholders,

Your Directors are pleased to present their fourth Annual Report on the business & operations of the Company together with the Audited Statement of Financial Accounts for the Period ended 31st March, 2021.

## FINANCIAL RESULTS

Particulars	₹ in Lakhs	
	For the Period ended 31st March, 2021	For the Period ended 31st March, 2020
Net Sales	47615	38514
Other Income	215	407
Total Income	47830	38921
EBITDA	6063	4244
Depreciation	837	649
Financial Expenses	147	165
Profit Before Tax	5079	3430
Provision for Taxes	1499	955
Profit After Tax	3580	2475
Other Comprehensive Income	(20)	(1)
<b>Total Comprehensive Income</b>	<b>3560</b>	<b>2474</b>

## PERFORMANCE

During the financial year 2020-21 the Company had achieved Net Sales of ₹ 476.15 Crores and EBITDA of ₹ 60.63 Crores as against ₹ 385.14 Crores and ₹ 42.44 crores respectively for previous financial year. After providing for interest, depreciation and tax, the Net Profit of the Company was ₹ 35.80 Crores as against ₹ 24.75 Crores for previous financial year. The EPS for current financial year is ₹ 17.08.

## FUTURE PROSPECTS

PVC polymer market in India is projected to be worth >₹ 500bn by the year 2025 from ~₹ 300bn as of now and major part of the PVC market is dominated by Pipes & Fittings accounting 40% of overall demand in PVC market. Considering the future growth potential in the sector at the back of rising demand from construction and irrigation sectors, the Company has undertaken capacity expansion at its PVC Pipe & Fittings plant, which is in advanced stages of implementation.

The flexible packaging sector is one of the fastest-growing segments in the packaging industry. The flexible packaging market in India was valued at ₹ 456.24 billion in 2019 and is expected to reach ₹ 1,149.45 billion by 2025, increasing at a CAGR of approximately 16.66%. 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 Share 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 ₹ 287 Lakhs.

## ENVIRONMENT

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.

In addition to complying with all applicable environmental laws and regulations, we are committed to:

- Adopt the latest environment improvement and management technologies i.e. high efficient emission & effluent control devices for environment conservation.
- Optimum use of the resources by increased efficiency and implementing the energy conservation and water conservation practices
- Effective management of waste and adoption of cleaner technologies to further reduce the consumption of fuel and water in plant operations.

The Company has installed Effluent Treatment Plant (ETP) for treatment of waste water for safe disposal to the environment towards its commitment of protection of environment.

Also the Company is responsibly disposing plastic wastes either by processing in house or through certified plastic recyclers.

### **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**

There were no significant and material orders passed by any Regulators or Courts or Tribunal impacting the going concern status of the Company during the financial year 2020-21.

### **CHANGE IN NATURE OF BUSINESS, IF ANY**

There is no change in the nature of business in the financial year 2020-21.

### **DETAILS OF SUBSIDIARY COMPANIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

During the year under review Prakash Technopack Private Limited (PTPL) was incorporated as wholly owned subsidiary of the company but Prakash Pipes Limited has dis-invested its stake in PTPL and as on 31st March, 2021 there is no subsidiary, Joint Venture and Associate Company of Prakash Pipes Limited.

### **AMOUNT CARRIED TO ANY RESERVE (IF ANY)**

The Company transferred an amount of ₹ 20 Crores to its general reserve.

### **AMOUNT TRANSFERRED TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

Pursuant to applicable provisions of the Companies Act, 2013 ("Act") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") during the financial year under review, Company had transferred ₹ 95,053.20 for the dividend on 79211 shares already transferred to IEPF and ₹ 193,619.90 for sale proceed of the fractional shares held by the company.

### **BOARD EVALUATION**

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

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

### **THE BOARD AND COMMITTEES OF THE BOARD AND MEETINGS THEREOF**

The Board and 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.

The details of the Meetings of the Board and Committees held during the financial year 2020-21 are given in the separate section of Corporate Governance Report.

### **DECLARATION BY INDEPENDENT DIRECTORS**

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

### **FAMILIARISATION PROGRAMME FOR THE INDEPENDENT DIRECTORS**

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

## DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

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

- i) Shri Kanha Agarwal, Managing Director and Chief Executive Officer
- ii) Shri Dalip Kumar Sharma, Chief Financial Officer
- iii) Shri Sonu Sharma, Company Secretary

Shri Sonu Sharma was appointed as company Secretary w.e.f. 20th August, 2020 and Shri Pawan Kumar Secretary resigned w.e.f. 17th August, 2020

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.

## CORPORATE SOCIAL RESPONSIBILITY

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

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

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

Corporate Social Responsibility of the company is available on the website of the company viz. <https://prakashplastics.in/policies>

## DEPOSITS

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

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- I. in the preparation of the annual accounts, the applicable standards have been followed and there are no material departures,
- II. they have selected such accounting policies and applied them consistently and made judgments and estimates that are

reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period,

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

## AUDITORS & AUDITORS REPORTS

### i) Statutory Auditor

M/s Chaturvedi & Co., Chartered Accountants, (FRN:302137E), were appointed as the Statutory Auditors of the Company for a period of five years at the 1st Annual General Meeting of the Company, upto the conclusion of the 6th Annual General Meeting of the Company. The Ministry of Corporate Affairs vide notification dated 7th May, 2018 has obliterated the requirement of seeking Members' ratification at every AGM on appointment of Statutory Auditors during their tenure of five years. The Notes on financial statement referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further explanation or comments from the Board under section 134(3) of the Companies Act, 2013.

### ii) Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s B K Bohra and Associates, Practising Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Reports are annexed herewith as Annexure II in prescribed format MR- 3 as per Companies Act, 2013 and under SEBI Listing Regulations. The Secretarial Auditors have given observation as mentioned in their report.

### iii) Cost Auditors

Pursuant to Section 148(1) of the Companies Act, 2013 Company is required to maintain cost records as specified by the Central Government and accordingly such accounts and records are made and maintained.

Accordingly the Board of Directors in its meeting held on 17th May, 2021 has appointed M/s. SKG & Co. (FRN :000418) Cost & Management Accountants, on the recommendation of the Audit Committee, for auditing the cost records of the Company

for the financial year 2021-22. Appropriate resolution seeking ratification of the remuneration of Cost Auditors, is included in the Notice convening the 4th AGM of the Company.

## CHANGES IN CAPITAL STRUCTURE

During the financial year 2020-21, Company had allotted 35,00,000 equity shares having nominal value of ₹ 10 each at a premium of ₹ 64.50. Accordingly paid-up capital of the company increased from ₹ 20.41 crores to ₹ 23.91 crores.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

## RELATED PARTY TRANSACTIONS [RPT]

The Company, during the financial year, entered into contracts or arrangements with related parties which were on arm's length basis. These transactions are not falling under the provisions of Section 188(1) of the Act. All RPT's are placed before the Audit Committee for review on a quarterly basis. All related party transactions entered during the year were in ordinary course of business and on arm's length basis and the same have been disclosed under Note No. 37 of the Notes to Financial Statements.

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

The Policy on materiality of related party transactions and dealing with related party transactions are available on the Company's website viz. <https://prakashplastics.in/policies>.

The details of the related party transactions as required under Section 134(3)(h) r/w Rule 8 (2) of the Companies (Accounts) Rules, 2014 and under Regulation 34(3) & 53(f), Para A of Schedule V of SEBI (LODR) Regulations, 2015 are attached as Annexure III.

## VIGIL MECHANISM AND WHISTLE BLOWER POLICY

To create enduring value for all stakeholders and ensure the highest level of honesty, integrity and ethical behavior 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.

## ANNUAL RETURN

Pursuant to the provisions of Section 134 (3) (a) of the Companies Act, 2013, draft Annual Return for the financial year ended 31st March, 2021 made under the provisions of Section 92(3) of the Act is available on the website of the Company i.e. [www.prakashplastics.in](http://www.prakashplastics.in)

## 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 2020-21 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, 2021, no complaint pertaining to sexual harassment was received by the Company.

## CORPORATE GOVERNANCE

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

## MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis on the operations of the Company as prescribed under Part B of Schedule V read with regulation 34 (3) of the Listing Regulations, 2015 is provided in a separate section in pages 8-11.

## INTERNAL AUDIT AND INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

The Company believes that internal control is a prerequisite of the principle of Governance and that freedom should be exercised within a framework of checks and balances. The Company has a well-established internal control framework, which is designed to continuously assess the adequacy, effectiveness and efficiency of financial and operational controls. The management is committed to ensure an effective internal control environment, commensurate



with the size and complexity of the business, which provides an assurance on compliance with internal policies, applicable laws, regulations and protection of resources and assets.

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

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

### **ACKNOWLEDGMENTS**

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

**By Order of the Board**

Date: 17th May, 2021  
Place: New Delhi

**Kanha Agarwal**  
Managing Director  
DIN: 06885529

**Vikram Agarwal**  
Director  
DIN: 00054125

## ANNEXURE-I

### Annual Report on Corporate Social Responsibility (CSR) Activities (Pursuant to Rule 8 of Companies (Accounts) (Corporate Social Responsibility Policy) Rules, 2014) for the Financial Year ended 31st March, 2021

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

CSR Policy provides a guideline of the methodologies and areas for choosing and implementing the Company's CSR Projects. The major Sectors covered under the CSR Policy of the company includes Eradicating hunger, poverty and malnutrition, Education, HealthCare, providing safe drinking water and preservation of water, Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects, Environment Protection & preservation and Skill Development.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri Vikram Agarwal	Director (Chairman)	1	1
2	Shri Satram lokumal Keswani	Independent Director (Member)	1	1
3	Shri Satish Chander Gosain	Independent Director (Member)	1	1

3. The CSR Policy of the Company is displayed on Company's website at link- [http://prakashplastics.in/pdfs/CSR\\_Policy.pdf](http://prakashplastics.in/pdfs/CSR_Policy.pdf)
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) : **Not applicable for Financial Year 2020-21**
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any :

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
		Not Applicable	

6. Average net profit of the company as per section 135(5) : ₹ 2444.23 Lakhs
7. (a) Two percent of average net profit of the company as per section 135(5) : ₹ 48.88 Lakhs  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : N.A.  
 (c) Amount required to be set off for the financial year, if any : NIL  
 (d) Total CSR obligation for the financial year (7a+7b-7c) : ₹ 48.88 Lakhs
8. (a) CSR amount spent or unspent for the financial year :

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 63.40 Lakhs	N.A.	N.A.	N.A.	N.A.	NA

- (b) Details of CSR amount spent against ongoing projects for the financial year : Not Applicable

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project (in ₹)	(8) Amount spent in the current financial Year (in ₹)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	(10) Mode of Implementation - Direct (Yes/No)	(11) Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	-	-	-	-	-	-	-	-	-	-	-	-
2.	-	-	-	-	-	-	-	-	-	-	-	-
3.	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>		-	-	-	-	-	-	-	-	-	-	-

(c) Details of CSR amount spent against other than ongoing projects for the financial year: **(Amount in Lakhs)**

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project.		(7) Amount allocated for the project (in ₹)	(10) Mode of Implementation - Direct (Yes/No)	(11) Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1.	Poverty & malnutrition	Mid day meal scheme, Schedule VII (i)	Yes	Delhi	South Delhi	63.40	NO	ISKCON Sant Nagar, Delhi	
<b>Total</b>		-	-	-	-	<b>63.40</b>	-		-

(d) Amount spent in Administrative Overheads : **NIL**

(e) Amount spent on Impact Assessment, if applicable : **Not Applicable**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : **63.40**

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	₹ 48.88
(ii)	Total amount spent for the Financial Year	₹ 63.40
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 14.52
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 14.52

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2017-18	NA					
2.	2018-19	NA					
3.	2019-20	NA					

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed / Ongoing
NIL								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (**asset-wise details**) : **Not Applicable**

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) : **Not Applicable**

**Kanha Agarwal**  
Managing Director  
DIN:06885529

**Vikram Agarwal**  
Chairman-CSR Committee  
DIN:00054125

## Annexure - II

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021**  
**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies**  
**(Appointment and Remuneration Personnel) Rules, 2014]**

To,  
The Members,  
Prakash Pipes Limited

Darjiyan Wali Gali, Rayya, The. Baba Bakala, Amritsar (PB) 143112.

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

Based on our verification of the Prakash Pipes Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Prakash Pipes Limited ("the Company") for the financial year ended on 31st March, 2021 according to the provisions of:

- i The Companies Act, 2013 (the Act) and the rules made there under;
- ii The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii The Depositories Act, 1996 and the Regulations and Bye- laws framed there under;
- iv Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act):-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time;
- vi Other laws applicable specifically to the Company as per the representation made by the Management including
  - i) Air (Prevention and Control of Pollution) Act, 1981
  - ii) Water (Prevention and Control of Pollution) Act, 1974 and Water (Prevention and Control of Pollution) Rules, 1975
  - iii) Environment Protection Act, 1986
  - iv) Factories Act, 1948

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

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

- i. The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- ii. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.

We further report that, there were no actions/events in pursuance of:



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

During the period under review and as per the explanations and clarifications given to us 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.

During the period under review and as per the explanations The Company has spent an amount of INR 63.40 Lakhs against the amount of INR 48.88 Lakhs to be spent during the year towards Corporate Social Responsibility.

We further report that:

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

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except notes on items of business which are in the nature of Unpublished Price Sensitive Information have

been given at a shorter period of time than stated above, with the consent of a majority of the Directors, which includes one Independent Director and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per records there was delay in submitting Shareholding Pattern for Quarter ending March, 2020 to stock exchanges which is required to be submitted by 15th May, 2020 under Regulation 31 of SEBI (LODR) and it was submitted on 3rd June, 2020. The Company has paid required fines imposed by NSE & BSE. This issue was also covered in the previous Secretarial Audit Report.

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

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

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

**For B K Bohra & Associates**  
(Company Secretaries)

**Bhoopendra Kumar Bohra**  
(Proprietor)

Place : New Delhi  
Date : 17th May, 2021  
UDIN: A062344C000416621

ACS No. 62344  
C P No. 23511

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

To,  
The Members,  
Prakash Pipes Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained 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. Our 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.

**For B K Bohra & Associates**  
(Company Secretaries)

**Bhoopendra Kumar Bohra**  
(Proprietor)  
ACS No. 62344  
C P No. 23511

Place : New Delhi  
Date : 17th May, 2021

## ANNEXURE-III

## DETAILS OF RELATED PARTY TRANSACTIONS

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

All related party transactions entered during the year were in ordinary course of business and on arm's length basis and the same have been disclosed under Note No. 37 of the Notes to Financial Statements.

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

- B. Disclosures pursuant to Regulation 34(3) & 53(f) and Para A of Schedule V of SEBI (LODR) Regulations, 2015

S I . No.	In the Account of	Disclosures of amount at the year end and the maximum amount of loans/advances/Investments outstanding during the year.
1.	Holding Company	- Loans and advances in the nature of loans to subsidiaries by name and amount - Loans and advances in the nature of loans to associates by name and amount - Loans and advances in the nature of loans to Firms/Companies in which directors are interested by name and amount
2.	Subsidiary	- Loans and advances in the nature of loans to subsidiaries by name and amount - Loans and advances in the nature of loans to associates by name and amount - Loans and advances in the nature of loans to Firms/Companies in which directors are interested by name and amount
3.	Holding Company	Investment by the loanee in the shares of parent Company and subsidiary Company, when the Company has made a loan or advance in the nature of loan.

By order of the Board

Place: New Delhi  
Dated: 17th May, 2021

**Dalip Kumar Sharma**  
Chief Finance Officer

**Kanha Agarwal**  
Managing Director  
DIN:06885529

## ANNEXURE-IV

# REPORT ON CORPORATE GOVERNANCE

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

Good Governance ensures adoption of best business practices and accountability of the person's in-charge of the Company's operations and at Prakash Pipes Limited, your Company is committed to optimize shareholder returns, governance processes and an entrepreneurial, performance focused, conducive work environment.

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

### 2. BOARD OF DIRECTORS

#### a) Composition

Board Comprises of the competent professional Directors required for effective management and administration of the company. As on 31st March, 2021, the Board of Prakash Pipes Ltd. comprised 6 Directors represented by Chairman (Non-Executive), Managing Director and CEO, 1 (one) Director (Non-Executive) and 3(three) Independent Directors.

#### b) Confirmation relating to independent Directors

It is confirmed that in the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI (LODR) Regulations, 2015 and amendment made thereof and are Independent of the Management of the Company.

#### c) Attendance of each Director at the Board Meetings & last Annual General Meeting during the financial year 2020-21 and number of other Directorships and committee memberships/ chairmanships held in other Companies:

S. No.	Name of Directors and their DIN	Category	No. of Board Meetings Attended	Last AGM Attended	No. of Directorships held in other Companies		No. of Committee positions held in other Companies	
					Chairman	Director	Chairman	Member
1.	Shri V.P. Agarwal Chairman DIN:00048907	Non-Executive/ Promoter	5	No	1	7	1	-
2.	Shri Kanha Agarwal Managing Director DIN:06885529	Executive & Promoter	5	Yes	-	9	-	2
3.	Shri Vikram Agarwal DIN:00054125	Non-Executive / Promoter	5	Yes	-	7	4	4
4	Dr. S.L. Keswani DIN:00190790	Non-executive & Independent	5	No	-	3	-	-
5.	Smt. Parveen Gupta DIN:00180678	Non-executive & Independent	5	No	-	3	1	5
6.	Dr. S. C. Gosain DIN:08202130	Non-executive & Independent	5	No	-	1	-	1

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

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

The following skills/expertise/competencies have been identified for the effective functioning of the Company. Matrix/table of skills/expertise and directors possessing these skills/expertise is as under:

Particulars	Category	Name of Directors who have Skills, Expertise and Competence					
		Shri Ved Prakash Agarwal	Shri Vikram Agarwal	Shri Kanha Agarwal	Dr. S.C. Gosain	Smt. Parveen Gupta	Dr. Satram Lokumal Keswani
Industry Knowledge / experience	Industry experience	Y	Y	Y	Y	Y	Y
	Knowledge of Sector	Y	Y	Y	Y	Y	Y
	Knowledge of Government /Public Policy	Y	Y	Y	Y	Y	Y
Technical Skills/ experience	Projects	Y	Y	Y	Y	N	Y
	Accounting	Y	Y	Y	Y	Y	Y
	Finance	Y	Y	Y	Y	Y	Y
	Law	Y	Y	Y	Y	Y	Y
	Marketing Experience	Y	Y	Y	N	N	Y
	Public Relations	Y	Y	Y	Y	Y	Y

**e) Disclosure of relationship between Directors inter-se :**

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

**f) No. of Board Meetings**

In the financial year 2020-21, the Board met five times. The meetings were held on 27th June, 2020, 31st August, 2020, 9th November, 2020, 24th November, 2020 and 8th February, 2021. 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.	27.06.2020	6	6
2.	31.08.2020	6	6
3.	09.11.2020	6	6
4.	24.11.2020	6	6
5	08.02.2021	6	6

**g) Meetings of Independent Directors**

The Company's Independent Directors met on 8th February, 2021 in financial year 2020-21 without the presence of Executive Directors or management personnel to discuss matters pertaining to the Company's affairs and put forth their views. The Chairman of meeting had taken appropriate steps to present Independent Directors' views to the Chairman and Managing Director of the Company.

**h) Details of shareholding of non-executive Directors in the Company as on 31st March, 2021**

S. No.	Name of Director	No. of shares held
1.	Shri V.P. Agarwal	3590860
2.	Shri Vikram Agarwal	50812
3.	Dr. S.L. Keswani	Nil
4.	Dr. S. C. Gosain	Nil
5.	Smt. Parveen Gupta	Nil

- i) The policy for conducting familiarization programme for Independent Directors has been disclosed and can be accessed on the Company's website [www.prakashplastics.in](http://www.prakashplastics.in)

### 3. AUDIT COMMITTEE

#### i) Terms, composition, names of members and chairperson

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

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

#### ii) No. of Audit Committee Meetings

The Audit Committee met four times during the financial year 2020-21 on 27th June, 2020, 31st August, 2020, 9th November, 2020 and 8th February, 2021 and attendance was as under.

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

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

### 4. NOMINATION AND REMUNERATION COMMITTEE

#### i) Terms, composition, names of members and chairman

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

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

The Nomination and Remuneration Committee met one time during the financial year 2020-21 on 31st March, 2021 and attendance was as under:

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

#### ii) Performance evaluation criteria for independent Directors:

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

### 5. DETAILS OF REMUNERATION / SITTING FEE PAID TO DIRECTORS FOR THE PERIOD FROM 1ST APRIL, 2020 TO 31ST MARCH, 2021:

#### a) Pecuniary Relationship

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

The remuneration criteria of making payments to Non-Executive Directors have been disclosed and it can be accessed on the Company's website [www.prakashplastics.in](http://www.prakashplastics.in)

(₹ in lakhs)

S. No.	Name of Director	Salary	Perquisites	Sitting Fee
1.	Shri V. P. Agarwal	Nil	Nil	N.A.
2.	Shri Vikram Agarwal	Nil	Nil	N.A.
3.	Shri Kanha Agarwal	Nil	Nil	N.A.
4.	Dr. S. L. Keswani	Nil	Nil	2.25
5.	Dr. S.C. Gosain	Nil	Nil	1.35
6.	Smt. Parveen Gupta	Nil	Nil	1.95

#### c) Details of Service Contracts of Directors:

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

### 6. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

The Committee is entrusted with the responsibility of addressing the shareholders/ Investors' complaints with



respect to transfer of shares, non-receipt of Annual Report and non-receipt of dividend etc.

The Stakeholders Relationship Committee met two times during the financial year 2020-21 on 10th October, 2020 and 12th January, 2021 and attendance was as under:

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

Compliance Officer: Shri Sonu Sharma Company Secretary

No. of shareholders/ investors complaints received upto 31st March, 2021 : 12

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

No. of pending complaints : 1

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

## 6. OTHER COMMITTEES

### a) SHARE ALLOTMENT & TRANSFER COMMITTEE

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

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

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

### b) CORPORATE SOCIAL RESPONSIBILITY AND GOVERNANCE COMMITTEE

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

Rule 8 of the Companies (CSR Policy) Rules, 2014 is annexed (Annexure-I) with this report.

The Committee met once during the financial year 2020-21 on 31st March, 2021 and attendance of members at the meeting was as follows:

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

## 8. GENERAL BODY MEETINGS

Details of Annual General Meetings (AGM) of the Company held during the last three Financial Years, which were held at the Registered Office of the Company at Darjiyan Wali Gali, Rayya, Teh.-Baba Bakala, Dist- Amritsar (Pb)-143112 as mentioned below:

Year	Date & Time	Details of Special Resolutions
FY2020-21	30.09.2020 at 12.30P.M.	No Special Resolution was passed
FY2019-20	30.09.2019 at 04.00 P.M	Approval of appointment of Dr. Satram Lokumal Keswani (DIN: 00190790) as an Independent Director of the Company
FY2018-19	21.07.2018 at 10.30 A.M	No Special Resolution was passed

Special Resolution passed through Postal Ballot

No special resolution was passed through postal ballot during the financial year 2020-21. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

## 9. FEES PAID TO THE STATUTORY AUDITORS

The total fees of ₹ 20 lakhs had been paid to M/s. Chaturvedi & Co., Chartered Accountants Firm having Registration No. 302137N, statutory auditors of the Company and other firms in the network entity of which the statutory auditors are a part, during the year ended 31st March, 2021.

## 10. MEANS OF COMMUNICATIONS

The Board of Directors approves and takes on record the quarterly / half yearly and annual results of the performance of the Company which are published in English and Hindi language newspapers. The results are sent to the Stock Exchanges (BSE & NSE) on which the shares of the Company are listed in the prescribed format so as to enable the respective stock exchanges to put the same on their own Website. The results are also displayed on the Company's Website viz. www.prakashplastics.in. The Notice of AGM/EGM alongwith the Annual Report/Notice of EGM are sent to the shareholders well in advance of the AGM/ EGM. The stock exchanges are notified

of any important developments. Management Discussion & Analysis report which forms part of the Annual Report is attached to the Directors Report and sent to the shareholders.

#### NSE Electronic Application Processing System (NEAPS):

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

#### BSE Corporate Compliance & Listing Centre (the "Listing Centre"):

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

#### SEBI Complaints Redress System (SCORES):

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

## 11. GENERAL SHAREHOLDERS' INFORMATION

### a) Company Registration Details

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

### b) Annual General Meeting:

Date & Time: 30th September, 2021 at 12:30 p.m.

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

### c) Financial Calendar for 2021-22:

- i) First quarter results : upto 14th August, 2021
- ii) Second quarter results : upto 15th November, 2021
- iii) Third quarter results : upto 15th February, 2022
- iv) Fourth quarter/Annual : upto 15th/30th May, 2022 Results

### d) Book Closure :

16th September, 2021 to 18th September, 2021 (Both days Inclusive)

### e) Stock exchanges where Equity Shares of the Company are listed

Sr. No.	Name of Stock Exchange	Stock Code
1.	BSE Ltd. Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400001	542684
2.	National Stock Exchange Limited	PPL

Exchange Plaza, 5th Floor, Plot No C/1  
G Bolck, Bandra- Kurla Complex,  
Bandra (E), Mumbai- 400051

ISIN No. for equity share : INE050001010

### f) Market Price Data :

Market price of Company's Equity Share of ₹10 each during the year from 01st April, 2020 to 31st March, 2021 at BSE Ltd. and National Stock Exchange (NSE) are given below:

Month	BSE		NSE	
	Highest	Lowest	Highest	Lowest
April, 2020	50.01	23.05	49.90	22.50
May, 2020	42.90	33.10	43.10	33.10
June, 2020	62.65	41.20	62.85	40.00
July, 2020	66.95	52.10	67.05	52.55
August, 2020	85.70	58.45	84.90	58.15
September, 2020	78.90	60.00	80.55	61.10
October, 2020	74.90	64.35	74.90	63.10
November, 2020	79.80	67.95	79.00	67.85
December, 2020	116.90	76.65	116.50	76.00
January, 2021	137.30	104.50	137.25	106.45
February, 2021	127.15	106.40	127.90	105.65
March, 2021	141.30	113.30	141.00	112.25

(₹)

### g) Distribution of Shareholding (as on 31st March, 2021)

No. of Equity Shares held	No. of Share Holders	% of Share Holders	No. of Shares	% of Share Holding
Upto 5000	62367	96.37	2838517	11.87
5001 – 10000	1104	1.71	837840	3.50
10001 – 20000	553	0.85	792263	3.31
20001 – 30000	207	0.32	516552	2.16
30001 – 40000	97	0.15	334002	1.40
40001 – 50000	76	0.12	328108	1.37
50001 – 100000	137	0.21	891970	3.73
100001 – above	176	0.27	17379102	72.66
<b>Total</b>	<b>64717</b>	<b>100.00</b>	<b>23918354</b>	<b>100.00</b>

### h) Shareholding Pattern (as on 31st March, 2021)

Category	No. of Shares	% of Shares
Promoter & Promoter Group	9663769	40.40
Mutual Fund / UTI	5860	0.02
Financial Institutions / Banks	438	0.00
Insurance Companies	25	0.00
Foreign Institutional Investors	33392	0.14
Bodies Corporate etc*.	6635454	27.74
NRI/OBCs	255801	1.07
Public (Individuals)	7323615	30.62
<b>Total</b>	<b>23918354</b>	<b>100.00</b>

\*Including Trust, Clearing Members and LLP etc

**i) Registrar and Transfer Agent**

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

**j) Share Transfer System**

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

**k) Dematerialization 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 scrip less trading. As on 31st March, 2021; 99.27% of Equity Shares of the Company were held in dematerialized form.

**l) Listing Fee :**

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

**m) Outstanding Foreign Currency Convertible Bonds (FCCB) :**

The outstanding FCCB as on 31st March, 2021 of Prakash Industries Limited (demerged company) is 10.80 Million US\$.

Accordingly, 8,64,779 equity shares of Prakash Pipes Limited are to be issued to Bondholders of Prakash Industries Limited.

**n) Plant Locations :**

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

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

Prakash Pipes Ltd. SRIVAN, Bijwasan, New Delhi –110061.

Ph. : (011) - 25305800

Fax. : (011) - 28062119

Website : [www.prakashplastics.in](http://www.prakashplastics.in)

Email : [pplho@prakash.com](mailto:pplho@prakash.com)

**9. 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 arm's length basis and are intended to further in the Company's interests.

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

- b) There has been no instance of non-compliance by the Company on any matter related to capital markets during last three years, and hence, no penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any other statutory authority.
- c) The details of establishment of Vigil Mechanism & Whistle Blower Policy can be accessed on the Company's website [www.prakashplastics.in](http://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](http://www.prakashplastics.in)
- e) The Policy on dealing with related party transactions can be accessed on company's website [www.prakashplastics.in](http://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.

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

The Company has received an amount of ₹ 2608 Lakh through preferential allotment of 3500000 Equity Shares as per the Regulation 32(7A) of SEBI Listing Regulations. The entire fund received and utilised to augment the working capital requirements of the Company and other general corporate purposes.

**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. 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



## ANNEXURE V

### PRACTICING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of  
Prakash Pipes Limited

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

1. We have examined the compliance of the conditions of Corporate Governance by Prakash Pipes Limited ('the Company')-CIN L25209PB2017PLC046660 for the period ended on March 31, 2021, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

2. We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. Mr. Satram Lokumal Keswani (DIN: 00190790) who has been disqualified u/s.164(2) of the Companies Act 2013 by Ministry of Corporate Affairs, the Hon'ble, Delhi High Court has granted stay vide its orders Dated 23/10/2018 for Mr. Satram Lokumal Keswani. The matter is Sub-Judice.
3. In our opinion and to the best of my information and according to the explanations given to us, and the representations made by the Management and as stated in paragraph 2 above, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2021.

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

**For B K Bohra & Associates**  
Company Secretaries

**Bhoopendra Kumar Bohra**  
Proprietor  
ACS : 62344 CP :23511

Place : New Delhi  
Date : 17th May, 2021

## ANNEXURE VI

### INFORMATION IN ACCORDANCE WITH THE PROVISIONS OF SECTION 134(3) (M) OF THE COMPANIES ACT 2013; READ WITH RULE 8 OF COMPANIES (ACCOUNTS) RULES 2014 REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO FOR THE YEAR ENDED 31ST MARCH, 2021

#### A) CONSERVATION OF ENERGY

##### (i) STEPS TAKEN FOR IMPACT ON CONSERVATION OF ENERGY

The Energy Conservation is one of the most important objectives of the company and is continuously adopting latest technology to improve energy efficiency in operations such as:

- Ensuring efficient utilization of the electricity by continuously monitoring through energy meters.
- Increasing awareness of energy saving within the organization to avoid wastage of energy.
- Maintaining Continuous flow and optimum utilization of energy through installation of Uninterruptible Power Supply (UPS) systems.

##### (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	UPS Systems	47.26

#### B) TECHNOLOGY ABSORPTION

##### (i) EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION- NIL

##### (ii) THE BENEFITS DERIVED LIKE PRODUCT IMPROVEMENT- NIL

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

#### C) INFORMATION REGARDING IMPORTED TECHNOLOGY (LAST THREE YEARS)

S. No.	TECHNOLOGY IMPORTED	YEAR OF IMPORT	STATUS
Nil	NIL	N. A	N. A

##### (ii) WHETHER THE TECHNOLOGY FULLY ABSORBED –N.A

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

#### D) FOREIGN EXCHANGE EARNINGS AND OUTGO

Total foreign exchange used and earned

	This Period (₹ in Lakhs)	Previous Period (₹ in Lakhs)
i Foreign exchange used	22.78	NIL
ii Foreign exchange earned	1,818.00	229.81





## 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, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

##### Basis for Opinion

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

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the

information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

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

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

##### Management's Responsibility for the Financial Statements

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

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the

financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

### Report on Other Legal and Regulatory Requirements

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

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including

Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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"**.
- g) In our opinion and according to the information and explanation given to us, the remuneration paid/payable during the current year by the company to its directors is in accordance with the provision of section 197 of the act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit

and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have pending litigations on its financial position in its financial statements.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amount required to be transferred, to the Investor Education and protection Fund by the Company during the year.

**For Chaturvedi & Co.**

Chartered Accountants  
Firm Registration No. 302137E

**Pankaj Chaturvedi**

Partner  
Membership No. 091239

New Delhi  
17th May, 2021

## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

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

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the records examined by us and based on the examination of the registered sale deed and lease agreement provided to us, the title deeds of immovable properties are held in the name of the Company. In respect of immovable properties been taken on lease, the lease agreements are in the name of the Company.
- ii. According to the information and explanation given to us, the management has conducted physical verification of inventory at reasonable intervals during the year. The discrepancies noticed on verification between physical inventory and book records were not material and have been properly dealt with in the book of account.
- iii. According the information and explanations given to us, the Company has granted unsecured loans to a body corporate, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
  - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
  - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments of principal amounts and interest have been regular as per stipulations.
  - (c) There is no overdue amount remaining outstanding as at the year-end.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans and has not made investments and provided guarantees and securities during the year.
- 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 is 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. However, advance income tax of ₹ 408 lakhs is pending to be deposited since more than six months.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there were no outstanding dues in respect of provident fund, employee's state insurance, income tax, goods and service tax, duty of customs, cess and other material statutory dues which as at March 31, 2021 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 and has not been issued debenture during the year. The Company has not defaulted in repayment of loans or borrowing to bank.
- ix. According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provision of Para 3 (ix) of the Order is not applicable to the Company.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees have been noticed or reported during the year.
- xi. According to the information and explanations given to us

and based on the audit procedures conducted by us, the managerial remuneration paid or provided during the year is in accordance with the provision of section 197 of the act.

- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of Para 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us, the Company has, during the year, made allotment of 35,00,000 Equity shares to the Promoter in pursuant to preferential allotment. The requirements of section 42 of the Companies Act, 2013 have been complied with by the Company to the extent applicable. The Company has received money against

equity share during the year has been used for the purpose for which funds were raised

- 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  
17th May, 2021



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, 2021

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, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

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

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Chaturvedi & Co.**

Chartered Accountant  
Firm Registration No. 302137E

**Pankaj Chaturvedi**

Partner

New Delhi  
17th May, 2021

Membership No. 091239

## Balance Sheet as at 31st March, 2021

Particulars	Note No.	₹ in Lakhs	
		As at 31st March, 2021	As at 31st March, 2020
<b>I. ASSETS</b>			
<b>(1) Non Current Assets</b>			
(a) Property, Plant and Equipment	4	7,731	5,471
(b) Capital Work-in-progress	4	30	8
(c) Financial Assets			
(i) Other Financial Assets	5	115	110
(d) Other Non Current Assets	6	414	151
(e) Deferred Tax Assets(Net)	7	1,901	2,287
		<b>10,191</b>	<b>8,027</b>
<b>(2) Current Assets</b>			
(a) Inventories	8	5,510	2,956
(b) Financial Assets			
(i) Trade Receivables	9	4,416	4,319
(ii) Cash and Cash Equivalents	10	1,617	97
(iii) Bank Balance other than (ii) above	11	1,625	1,083
(iv) Other Financial Assets	12	302	672
(c) Other Current Assets	13	487	723
		<b>13,957</b>	<b>9,850</b>
<b>TOTAL ASSETS</b>		<b>24,148</b>	<b>17,877</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	14	2,392	2,042
(b) Other Equity	15	16,764	11,192
		<b>19,156</b>	<b>13,234</b>
<b>LIABILITIES</b>			
<b>(1) Non Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	57	38
(ii) Non Current Liabilities	17	16	10
(b) Provisions	18	276	226
		<b>349</b>	<b>274</b>
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	81	467
(ii) Trade Payables	20		
a) Total outstanding dues of Micro Enterprises and Small Enterprises		549	445
b) Total outstanding due of creditors other than Micro Enterprises and Small Enterprises		1,701	1,444
(iii) Other Financial liabilities	21	599	805
(b) Other current Liabilities	22	98	50
(c) Provisions	23	134	91
(d) Current tax Liabilities(Net)	24	1,481	1,067
<b>TOTAL LIABILITIES</b>		<b>4,643</b>	<b>4,369</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>24,148</b>	<b>17,877</b>

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

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

**Pankaj Chaturvedi**  
Partner  
M.No.091239

New Delhi  
17 th May, 2021

For and on behalf of the Board

**Vikram Agarwal**  
Director  
DIN:00054125

**Sonu Sharma**  
Company Secretary  
M.No.ACS 61638

**Kanha Agarwal**  
Managing Director  
DIN:06885529

**Dalip Kumar Sharma**  
Chief Financial Officer

## Statement of Profit and Loss for the year ended 31st March, 2021

₹ in Lakhs

Particulars	Note No.	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>INCOME</b>			
Revenue from operations	25	47,615	38,514
Other Income	26	215	407
<b>Total Income</b>		<b>47,830</b>	<b>38,921</b>
<b>EXPENSES</b>			
Cost of material consumed		35,940	30,006
Changes in inventories of finished goods and work-in-progress	27	(461)	(726)
Employee benefits expense	28	2,329	1,892
Finance costs	29	147	165
Depreciation expense	30	837	649
Other expenses	31	3,959	3,505
<b>Total expenses</b>		<b>42,751</b>	<b>35,491</b>
<b>Profit before exceptional items and tax</b>		<b>5,079</b>	<b>3,430</b>
Exceptional Items		-	-
<b>Profit before tax</b>		<b>5,079</b>	<b>3,430</b>
Tax expenses:			
Current tax		1,478	994
Deferred Tax		21	(39)
<b>Total tax expense</b>		<b>1,499</b>	<b>955</b>
<b>Profit for the year</b>		<b>3,580</b>	<b>2,475</b>
<b>Other Comprehensive Income</b>			
<b>a) Items that will not be reclassified to Profit or Loss</b>			
-Remeasurement of defined benefit plans		(28)	(2)
<b>b) Income tax relating to items that will not be reclassified to profit or loss</b>			
-Remeasurement of defined benefit plans		8	1
<b>Total other comprehensive Income</b>		<b>(20)</b>	<b>(1)</b>
<b>Total Comprehensive Income for the year</b>		<b>3,560</b>	<b>2,474</b>
<b>Earning per equity share:</b>			
<b>(Face Value of ₹ 10/- each) (refer note 38)</b>			
Basic ₹		17.08	12.12
Diluted ₹		16.41	11.58

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

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

**Pankaj Chaturvedi**  
Partner  
M.No.091239

New Delhi  
17 th May, 2021

For and on behalf of the Board

**Vikram Agarwal**  
Director  
DIN:00054125

**Sonu Sharma**  
Company Secretary  
M.No.ACS 61638

**Kanha Agarwal**  
Managing Director  
DIN:06885529

**Dalip Kumar Sharma**  
Chief Financial Officer

## Statement of Changes in Equity for the year ended 31st March, 2021

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

₹ in Lakhs

	Number of Shares	Amount
As at 1st April, 2020	2,04,18,354	2,042
Change in share capital during the year	35,00,000	350
Balance as at 31st March, 2021	2,39,18,354	2,392

- Change in share capital during the year ended 31st March, 2021 represents preferential allotment to Promoter.

### B. Other Equity

₹ in Lakhs

Particulars	Reserves and Surplus					Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	Contingent Consideration	General Reserve	Retained Earnings		
Balance as at 1st April, 2019	5,943	-	95	1,000	1,855	(18)	8,875
Addition During the Year	139	-	-	-	-	-	139
Profit for the year	-	-	-	-	2,475	(1)	2,474
Dividend on Equity Shares	-	-	-	-	(245)	-	(245)
Dividend distribution tax on dividend	-	-	-	-	(51)	-	(51)
Transferred to General Reserve	-	-	-	1,000	(1000)	-	-
Balance as at 31st March, 2020	6,082	-	95	2,000	3,034	(19)	11,192
Addition During the Year	-	2,257	-	-	-	-	2,257
Transferred to Capital Reserve	9	-	(9)	-	-	-	-
Profit for the year	-	-	-	-	3,580	(20)	3560
Dividend on Equity Shares	-	-	-	-	(245)	-	(245)
Transferred to General Reserve	-	-	-	2,000	(2000)	-	-
Balance as at 31st March, 2021	6,091	2,257	86	4,000	4,369	(39)	16,764

Nature and purpose of Reserve

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

- Capital Reserve :- The capital reserve was recognized 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.
- Securities premium :- The amount of difference between the issue price and the face value of the shares is recognized in Securities premium.
- Retained earnings :- Retained earnings comprises of the profits of the company earned till date net of distributions and other adjustments.
- General reserve :- General reserve is the portion of the net profit transferred by the Company during the current year and previous year.

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For Chaturvedi & Co.

Chartered Accountants

Firm Registration No.302137E

Pankaj Chaturvedi

Partner

M.No.091239

New Delhi

17 th May, 2021

For and on behalf of the Board

Vikram Agarwal

Director

DIN:00054125

Sonu Sharma

Company Secretary

M.No.ACS 61638

Kanha Agarwal

Managing Director

DIN:06885529

Dalip Kumar Sharma

Chief Financial Officer

## Statement of Cash Flow for the year ended 31st March, 2021

₹ in Lakhs

Particulars	For the year ended 31st March, 2021		For the year ended 31st March, 2020	
<b>A. Cash Flow From Operating Activities :</b>				
Profit before tax		5,079		3,430
Adjustments for				
Provision for employee benefit	75		60	
Provision written back	-		(10)	
Allowance for doubtful debts and advances	116		50	
Depreciation expenses	837		649	
Interest & Other Income	(94)		(82)	
Financial Costs	147	1,081	165	832
Operating Profit before working Capital changes		6,160		4,262
Adjustments for				
Increase in Trade receivables	(213)		(1,206)	
Increase in Other financial assets	(177)		(367)	
Decrease in Other current assets	241		299	
Increase in Inventories	(2,554)		(1,218)	
Increase in Trade payable and other financial liabilities	153		607	
Decrease in Other current liabilities	38	(2,512)	(154)	(2,039)
Cash generated from operations		3,648		2,223
Direct Taxes Paid (Net of refund)		652		828
<b>Net Cash from operating activities</b>		<b>2,996</b>		<b>1,395</b>
<b>B. Cash Flow From Investing Activities:</b>				
Payment for Property, Plant and Equipment including CWIP and capital advances		(3,387)		(1,616)
Interest received		94		84
<b>Net cash used in investing activities</b>		<b>(3,293)</b>		<b>(1,532)</b>
<b>C. Cash Flow From Financing Activities :</b>				
Proceeds from Issue of Share Capital		350		-
Proceeds from Share Premium		2,257		-
Repayments/(Proceeds) from borrowings (Net)		(360)		539
Dividend/Dividend Tax Paid		(298)		(245)
Interest paid		(132)		(131)
<b>Net Cash from financing activities</b>		<b>1,817</b>		<b>163</b>
<b>Net Changes in Cash &amp; Cash equivalents (A+B+C)</b>		<b>1,520</b>		<b>26</b>
Opening balance of Cash & Cash equivalents		97		71
Closing balance of Cash & Cash equivalents		1,617		97

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

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

**Pankaj Chaturvedi**  
Partner  
M.No.091239

New Delhi  
17 th May, 2021

For and on behalf of the Board

**Vikram Agarwal**  
Director  
DIN:00054125

**Sonu Sharma**  
Company Secretary  
M.No.ACS 61638

**Kanha Agarwal**  
Managing Director  
DIN:06885529

**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 2013, applicable in India and company is incorporated on June 29, 2017. The Company is formed for the manufacturing of PVC pipes & fittings and packaging products. The Company has its manufacturing facilities in India and sells products in domestic as well as International Markets.

The financial statements for the year ended March 31, 2021 were approved for issue in accordance with a resolution of the Board of Directors of the Company 17 May 2021.

### 2. A. Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

#### Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

#### Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

### 3. Significant Accounting policies

#### 3.1 Basis of preparation

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

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

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

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

#### 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



## Notes on Financial Statements

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

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

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

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

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

### Key sources of estimation uncertainty

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

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

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

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

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

### 3.3 Operating Cycle and Current versus non-current classification

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

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

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

## Notes on Financial Statements

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

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

#### Sale of products

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

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

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

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

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

### 3.5 Segment Reporting

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

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

### 3.6 Government grants

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

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

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

### 3.7 Property, plant and equipment

Property, plant and equipment (PPE) are initially recognized 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.

## Notes on Financial Statements

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

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

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

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

Particular	Estimated useful life (No.of years)
Buildings	30
Roads	3
Plant and machinery	15
Vehicles	6,8
Furniture, fixtures and office equipment	10
Office equipment	3
Computer	3
Moulds & Dies	3

### 3.8 Capital work-in-progress

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

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

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

### 3.10 Income tax

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

## Notes on Financial Statements

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

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

### 3.11 Operating Leases Including Investment Properties

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

#### As a lessee

##### a) Right-of-use assets

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

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

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

##### b) Lease liabilities

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

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

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

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

#### As a lessor

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

## Notes on Financial Statements

### 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 recognized 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 recognized as a finance cost.

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

### 3.14 Inventories

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

### 3.15 Non-derivative financial instruments

#### Classification

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

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

#### Initial Measurement and Recognition

Financial assets and liabilities are recognized 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 amortized cost:** Financial assets are subsequently measured at amortized 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 recognized in profit or loss.

## Notes on Financial Statements

### b. Financial liabilities - Subsequent measurement

Financial liabilities are measured at amortized 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 amortized cost on accrual basis.

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

#### Impairment of financial assets

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

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

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

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

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

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

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

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

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

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

However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit

## Notes on Financial Statements

enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### Derecognition

A financial liability is derecognized 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 recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### 3.16 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale otherwise to be charged to the statement of profit and loss. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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

### 3.17 Employee Benefits

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

#### Post-employment benefit plans

##### Defined Contribution plans

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

##### Defined benefit plans

The Company operates defined benefit plan in the form of gratuity and compensated absence. The liability or asset recognized 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 recognized in the Statement of Profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized 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 recognized immediately in profit or loss as past service cost.

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

### 3.18 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 and Capital Work-In-Progress as at 31st March, 2021

PARTICULARS	Property, Plant and Equipment										Capital Work-in-Progress
	Lease Hold (Right-of-use assets)	Land (Free Hold)	Buildings	Plant and Equipment	Furniture and fixtures	Vehicles	Office Equipments	Mould & Dies	Total		
Gross carrying value as at 1st April, 2020	73	61	1,462	6,556	72	714	55	1,008	10,001	8	
Additions	-	-	96	2,409	14	39	28	511	3,097	22	
Disposals	-	-	-	-	-	-	-	-	-	-	
<b>Gross carrying value as at 31st March, 2021</b>	<b>73</b>	<b>61</b>	<b>1,558</b>	<b>8,965</b>	<b>86</b>	<b>753</b>	<b>83</b>	<b>1,519</b>	<b>13,098</b>	<b>30</b>	
Accumulated depreciation as at 1st April, 2020	21	-	991	2,543	42	405	46	482	4,530	-	
Depreciation	1	-	28	445	4	61	6	292	837	-	
<b>Accumulated depreciation as at 31st March, 2021</b>	<b>22</b>	<b>-</b>	<b>1,019</b>	<b>2,988</b>	<b>46</b>	<b>466</b>	<b>52</b>	<b>774</b>	<b>5,367</b>	<b>-</b>	
Carrying value as at 31st March, 2020	52	61	471	4,013	30	309	9	526	5,471	8	
<b>Carrying value as at 31st March, 2021</b>	<b>51</b>	<b>61</b>	<b>539</b>	<b>5,977</b>	<b>40</b>	<b>287</b>	<b>31</b>	<b>745</b>	<b>7,731</b>	<b>30</b>	

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

4.2 Vehicles are hypothecated against respective borrowings, the details relating to which have been described in Note 16.

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

## Notes on Financial Statements

### 5 Other Financial Assets

₹ in Lakhs

	As at 31st March, 2021	As at 31st March, 2020
<b>Non current financial assets</b>		
(unsecured, considered good, unless otherwise stated)		
Security Deposits	115	110
	<b>115</b>	<b>110</b>

### 6 Other Non Current Assets

₹ in Lakhs

	As at 31st March, 2021	As at 31st March, 2020
(unsecured, considered good, unless otherwise stated)		
Capital Advances	410	142
Prepaid Expenses	4	9
	<b>414</b>	<b>151</b>

### 7 Deferred Tax Assets (Net)

₹ in Lakhs

	As at 31st March, 2021		As at 31st March, 2020	
<b>Deductible Temporary Difference</b>				
Provision for employees benefits	138		102	
Loss allowance on Financial and Contract Assets	52		18	
Unused Tax credits	2,118		2,491	
<b>Deferred Tax Assets</b>		2308		2611
Property, plant and equipment and intangible assets	(407)		(324)	
<b>Deferred Tax Liabilities</b>		(407)		(324)
<b>Deferred Tax Assets (Net)</b>		1,901		2,287

(refer note 36)

### 8 Inventories

₹ in Lakhs

	As at 31st March, 2021	As at 31st March, 2020
<b>Current assets</b>		
(As taken, valued and certified by the Management)		
Raw Materials	2,839	1,248
Raw Materials in Transit	458	-
Finished Goods	1,772	1,150
Work In Progress	186	348
Stores, Spares & Fuels	231	187
Scrap & Waste	24	23
	<b>5,510</b>	<b>2,956</b>

## Notes on Financial Statements

### 9 Trade Receivables

₹ in Lakhs

	As at 31st March, 2021	As at 31st March, 2020
<b>Current financial assets</b>		
Trade Receivable considered good-unsecured	4,217	4,049
Trade Receivable which have significant increase in credit risk	376	331
	4,593	4,380
Less: Trade Receivable-credit impaired	177	61
	4,416	4,319
The movement in allowance for bad and doubtful debts:		
Balance as at beginning of the year	61	11
Allowance for bad and doubtful debts during the year	116	50
Trade receivables written off during the year	-	-
	177	61

### 10 Cash and Cash Equivalents

₹ in Lakhs

	As at 31st March, 2021	As at 31st March, 2020
Balances with banks:		
On Current Accounts	1,613	93
Cash on hand	4	4
	1,617	97

### 11 Bank Balances Other than Cash and Cash Equivalents

₹ in Lakhs

	As at 31st March, 2021	As at 31st March, 2020
<b>Current Financial Assets</b>		
Term Deposits	1,625	1,083
	1,625	1,083

### 12 Other Financial Assets

₹ in Lakhs

	As at 31st March, 2021	As at 31st March, 2020
<b>Current financial assets</b>		
(Unsecured considered good, unless otherwise stated)		
Interest accrued	2	2
Claims Recoverable	303	673
	305	675
Less: Allowance for Claims Recoverable	(3)	(3)
	302	672
The movement in allowance for bad and doubtful Claims:		
Balance as at beginning of the year	3	3
Allowance for bad and doubtful debts during the year	-	-
Claim recoverable written off during the year	-	-
	3	3

## Notes on Financial Statements

### 13 Other Current Assets

₹ in Lakhs

	As at 31st March, 2021	As at 31st March, 2020
(Unsecured considered good, unless otherwise stated)		
Balances with Government Authorities	163	592
Advances to vendors	231	75
Other advances(including prepaid expenses etc.)	93	56
	<b>487</b>	<b>723</b>

### 14 Equity Share Capital

₹ in Lakhs

	As at 31st March, 2021	As at 31st March, 2020
<b>Authorized</b>		
2,50,00,000 ( 31st March, 2020: 2,50,00,000 ) Equity Shares of ₹ 10 each	2,500	2,500
	<b>2,500</b>	<b>2,500</b>
<b>Issued, Subscribed and Paid Up Equity</b>		
2,39,18,354 (31st March,2020, 2,04,18,354)Equity Shares of ₹ 10 each	2,392	2,042
	<b>2,392</b>	<b>2,042</b>

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

Equity Shares	As at 31st March, 2021		As at 31st March, 2020	
	Nos.	₹ in lakhs	Nos.	₹ in lakhs
Balance at the beginning of the year	2,04,18,354	2,042	-	-
Issued during the year (refer note d)	35,00,000	350	2,04,18,354	2,042
Balance at the end of the year	<b>2,39,18,354</b>	<b>2,392</b>	<b>2,04,18,354</b>	<b>2,042</b>

b) Terms/ rights attached to equity shares

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

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

Equity Shares	As at 31st March, 2021		As at 31st March, 2020	
	Nos.	% of holding	Nos.	% of holding
1 Amarjoti Vanijya LLP	13,83,283	5.78%	11,77,233	5.77%
2 Ved Prakash Agarwal	35,90,860	15.01%	65,860	0.32%

d) The Company has allotted 35,00,000 equity shares pursuant to preferential allotment.

## Notes on Financial Statements

### 15 Other Equity

	₹ in Lakhs	
	As at 31st March, 2021	As at 31st March, 2020
Capital Reserve on demerger	6,091	6,082
Securities Premium Reserve	2,257	-
Retained Earnings	4,369	3,034
General Reserve	4,000	2,000
Other Comprehensive Income	(39)	(19)
Contingent consideration	86	95
	<b>16,764</b>	<b>11,192</b>

### 16 Borrowings

	₹ in Lakhs	
	As at 31st March, 2021	As at 31st March, 2020
<b>Non current financial liabilities</b>		
<b>Secured</b>		
<b>Term Loan</b>		
From Bank	33	5
From Others	18	27
Finance Lease Obligation (refer note 43)	6	6
	<b>57</b>	<b>38</b>

#### Terms and Conditions

(a) Term Loans from banks and others include ₹ 41 lakhs (₹ 7 lakhs) and ₹ 27 lakhs (₹ 35) respectively secured against the vehicles financed by the concerned lenders.

Lender	0-1Year	1-3 years	4-5 Years	6-10 Years	Rate of Interest
Term Loans from banks	8	17	16	-	9%
Term Loans from Others	9	14	4	-	6% to 10%

(b) Vehicles are hypothecated against respective borrowings.

### 17 Non Current Liabilities

	₹ in Lakhs	
	As at 31st March, 2021	As at 31st March, 2020
Deferred Income	16	10
	<b>16</b>	<b>10</b>

17.1 Deferred income represents capital investment subsidy which was granted on investment in plant and machinery under special package-II for Industrial units in the state of Uttarakhand and to be recognized in remaining useful life of respective plant and machinery

### 18 Non- Current Provisions

	₹ in Lakhs	
	As at 31st March, 2021	As at 31st March, 2020
For Employee Benefits (refer note 34)	276	226
	<b>276</b>	<b>226</b>

## Notes on Financial Statements

### 19 Borrowings

	₹ in Lakhs	
	As at 31st March, 2021	As at 31st March, 2020
<b>Current Financial Liabilities</b>		
Unsecured		
From Others	81	-
From Related Party	-	467
	<b>81</b>	<b>467</b>

### 20 Trade Payables

	₹ in Lakhs	
	As at 31st March, 2021	As at 31st March, 2020
<b>Current Financial Liabilities</b>		
-Total outstanding dues of Micro Enterprises and Small Enterprises	549	445
-Total outstanding due of creditors other than Micro Enterprises and Small Enterprises	1,701	1,444
	<b>2,250</b>	<b>1,889</b>

### 21 Other Financial Liabilities

	₹ in Lakhs	
	As at 31st March, 2021	As at 31st March, 2020
Current Maturity of long term debts	17	10
Current Maturity of Finance lease obligations	1	1
<b>Others</b>		
Salary, wages and benefits payable	188	133
Capital Creditors	293	213
Other expenses payables	100	448
	<b>599</b>	<b>805</b>

### 22 Other Current Liabilities

	₹ in Lakhs	
	As at 31st March, 2021	As at 31st March, 2020
Statutory dues payable	36	25
Advances from Customers	55	22
Deferred Income (refer note 17.1)	7	3
	<b>98</b>	<b>50</b>

### 23 Current Provisions

	₹ in Lakhs	
	As at 31st March, 2021	As at 31st March, 2020
For Employee Benefits (refer note 34)	134	91
	<b>134</b>	<b>91</b>

### 24 Current Tax Liabilities (Net)

	₹ in Lakhs	
	As at 31st March, 2021	As at 31st March, 2020
Provision for Income Tax (Net)	1481	1014
Tax on Dividend	-	53
	<b>1481</b>	<b>1067</b>

## Notes on Financial Statements

### 25 Revenue From Operations

₹ in Lakhs

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Sale of products	47615	38514
	<b>47615</b>	<b>38514</b>

### 26 Other Income

₹ in Lakhs

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest Income	94	82
Miscellaneous income	121	325
	<b>215</b>	<b>407</b>

### 27 Change in Inventories of Finished Goods and Work in Progress

₹ in Lakhs

	For the year ended 31st March, 2021		For the year ended 31st March, 2020	
<b>Closing Inventories</b>				
Finished products	1,772		1,150	
Work in process	186		348	
Scrap and waste	24	1,982	23	1,521
<b>Opening Inventories</b>				
Finished products	1,150		739	
Work in process	348		49	
Scrap and waste	23	1,521	7	795
		<b>(461)</b>		<b>(726)</b>

### 28 Employee Benefits Expenses

₹ in Lakhs

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Salaries, wages and other benefits	2,221	1,802
Contribution to provident & other funds	85	75
Employee's welfare expenses	23	15
	<b>2,329</b>	<b>1,892</b>

### 29 Finance Costs

₹ in Lakhs

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest	147	165
	<b>147</b>	<b>165</b>



## Notes on Financial Statements

### 30 Depreciation expense

₹ in Lakhs

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Depreciation on tangible assets	837	649
	<b>837</b>	<b>649</b>

### 31 Other Expenses

₹ in Lakhs

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Power and fuel	1,241	1,179
Processing Charges	14	18
Stores and spares	196	164
Repairs to:		
Machinery	251	234
Building	248	119
Others	66	20
Insurance	9	2
Rates and taxes	11	33
Travelling and Conveyance	34	47
Vehicle maintenance	23	29
Auditor's remuneration:		
- Statutory Audit fees	17	17
- Tax Audit Fees	3	3
Legal & professional charges	85	79
Miscellaneous expenses	113	105
CSR expenditure (refer note 40)	63	39
Allowance for doubtful Debts & Advances	116	50
Bank Charges	6	3
Advertisement	34	74
Packing & forwarding charges	1,429	1,271
Sales promotion	-	19
	<b>3,959</b>	<b>3,505</b>

## Notes on Financial Statements

### 32. Contingent Liabilities and Capital Commitments as at Mach 31, 2021 are as under:

₹ in Lakhs

Commitments	As at 31st March, 2021	As at 31st March, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	663	1289

### 33. Dues to Micro and Small Enterprises:

The disclosures regarding dues to the suppliers registered under MSMED Act 2006 are as follows:

₹ in Lakhs

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(a) The Principal amount and the interest amount due thereon remaining unpaid to any supplier as at 31st March, 2021		
- Principal amount	549	445
- Interest amount	-	-
(b) The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day for the year ending 31st March, 2021	-	-
(c) The amount of interest due and payable for the period of delay in making payment (beyond the appointed day during the year)	-	-
(d) The amount of interest accrued and remaining unpaid for the year ending 31st March, 2021	-	1
(e) The amount of further interest remaining due and payable for the earlier years.	-	-

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

### 34. 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 recognized the following amounts in the Statement of Profit & Loss (included in Contribution to Provident & Other Funds):-

₹ in Lakhs

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Contribution to Provident Fund	70	60
Contribution to Employees' State Insurance	15	15

## Notes on Financial Statements

### B) Defined Benefit Plan:

₹ in Lakhs

Particulars	For the year ended 31st March, 2021		For the year ended 31st March, 2020	
	(Unfunded)		(Unfunded)	
	Gratuity	Compensated Leave	Gratuity	Compensated Leave
<b>Reconciliation of opening and closing balances of Defined Benefit obligation</b>				
Defined Benefits obligation at the beginning of the year	191	126	179	91
Current Service Cost	29	24	20	20
Interest Cost	14	8	13	7
Actuarial gain/(loss)	36	(8)	(13)	15
Benefit paid	(5)	(5)	(8)	(7)
Defined Benefit obligation at the year end	265	145	191	126
<b>Reconciliation of fair value of assets and obligations</b>				
Present value of obligation at year end	265	145	191	126
Amount recognized in Balance Sheet	265	145	191	126
<b>Expenses recognized during the year</b>				
Current Service Cost	29	24	20	20
Interest Cost	13	8	13	7
Actuarial gain/(loss)	37	(8)	(13)	15
Total Cost recognized in the Profit & Loss A/c	79	24	20	42
<b>Actuarial assumption</b>				
Mortality Table (Ultimate)	IALM 2012-14 (Ultimate)	IALM 2012-14 (Ultimate)	IALM 2012-14 (Ultimate)	IALM 2012-14 (Ultimate)
Discount rate (per annum)	7.00%	7.00%	7.00%	7.00%
Rate of escalation in salary (per annum)	5%	5%	5%	5%

### 35. Income tax expense:

#### (A) Components of Income Tax Expenses

₹ in Lakhs

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Current Tax	1,478	994
Deferred Tax on account of temporary differences	13	(40)
<b>Tax expense recognized in the statement of Profit and Loss</b>	<b>1,491</b>	<b>954</b>

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

₹ in Lakhs

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Profit before tax	5,079	3,430
Income tax expense at normal rate	1,478 29.10%	994 28.97%
Effect of temporary difference	13 0.26%	(40) (1.16%)
<b>Tax expense recognized in the statement of Profit and Loss</b>	<b>1,491 29.36%</b>	<b>954 27.81%</b>

## Notes on Financial Statements

### (C) Tax Assets and Liabilities

₹ in Lakhs

	As at 31st March, 2021	As at 31st March, 2020
Current tax liabilities (net)	1,481	1,067

### 36. Movement in Deferred Tax Assets and Liabilities :

₹ in Lakhs

Particulars	For the year ended 31st March, 2021			For the year ended 31st March, 2020		
	As at 1st April, 2020	Addition during the year	As at 31st March, 2021	As at 1st April, 2019	Addition during the year	As at 31st March, 2020
Provision for employee benefits	102	36	138	103	(1)	102
Provision for doubtful debts and advances	18	34	52	5	13	18
Unused Tax credits	2491	(373)	2118	2163	328	2491
<b>Deferred tax assets</b>	<b>2611</b>	<b>(303)</b>	<b>2308</b>	<b>2271</b>	<b>340</b>	<b>2611</b>
Depreciation-Property, Plant and Equipment	(324)	(83)	(407)	(162)	(162)	(324)
<b>Deferred tax assets/ liabilities (net)</b>	<b>2287</b>	<b>(386)</b>	<b>1901</b>	<b>2109</b>	<b>178</b>	<b>2287</b>

### 37. Related party disclosure as required by Ind As -24 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, Chairman
2. Shri Vikram Agarwal, Director
3. Shri Kanha Agarwal, Managing Director
4. Shri Sonu Sharma, Company Secretary
5. Shri Dalip Kumar Sharma, CFO

#### (C) Transactions with the related parties.

₹ in Lakhs

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Key Management personnel</b>		
Remuneration	12*	13
<b>Enterprises</b>		
Interest received	50	79
Interest Paid	13	3
Loan Received (Net)	-	467

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

\*including remuneration paid to Shri Pawan Kumar, Company Secretary who has since resigned.

## Notes on Financial Statements

### 38. Earning per share (EPS)

	₹ in Lakhs	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Net Profit for the period (before OCI)	3,580	2475
Face Value of each Share (₹)	10	10
Weighted average no. of Equity Shares	210	204
Diluted average no. of Equity Shares	218	214
Basic Earning per Share (₹)	17.08	12.12
Diluted Earning per Share (₹)	16.41	11.58

### 39. Segment Information:

#### Operating Segments

Business segments of the company have been identified as distinguishable components that are engaged in a group of related product and that are subject to risks and returns different from other business segments. Accordingly PVC Pipe & Fitting and Flexible Packaging have been identified as the business segments.

- a) PVC Pipe and fitting
- b) Flexible Packaging

	₹ in Lakhs	
	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Segment Revenue</b>		
Net Sales/Income from Operations		
a) PVC Pipe and fitting	34,934	33,096
b) Flexible Packaging	12,681	5,418
Total	47,615	38,514
<b>Segment Results</b>		
Profit before tax and interest		
a) PVC Pipe and fitting	4,982	3,896
b) Flexible Packaging	191	(299)
c) Unallocated	53	(2)
Total	5,226	3595
Less : Financial Expenses	147	165
Exceptional Item	-	-
<b>Total Profit before tax</b>	<b>5,079</b>	<b>3,430</b>

#### Segment Assets

	₹ in Lakhs	
	As at 31st March, 2021	As at 31st March, 2020
a) PVC Pipe and fitting	12,121	9,277
b) Flexible Packaging	10,127	6,313
c) Unallocated	1,931	2,287
<b>Total</b>	<b>24,179</b>	<b>17,877</b>

#### Segment Liabilities

	₹ in Lakhs	
	As at 31st March, 2021	As at 31st March, 2020
a) PVC Pipe and fitting	1,635	2,213
b) Flexible Packaging	1,468	1,100
c) Unallocated	1,921	1,330
<b>Total</b>	<b>5,024</b>	<b>4,643</b>

## Notes on Financial Statements

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

a) The gross amount required to be spent by the Company during the year is ₹ 48.88 lakhs (previous year ₹ 38.74 lakhs).

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

S. No.	Particulars	For the year ended 31st March, 2021			For the year ended 31st March, 2020		
		Paid	Yet to be paid	Total	Paid	Yet to be paid	Total
(i)	Construction/acquisition of any assets	-	-	-	-	-	-
(ii)	On purpose other than (i) above	63	-	63	39	-	39

41. (a) Fair value measurements

₹ in Lakhs

Particulars	31st March 2021			31st March 2020		
	FVPL	FVOCI	Amortized cost	FVPL	FVOCI	Amortized cost
<b>Non-Current assets</b>						
Financial assets						
-Other financial assets	-	-	115	-	-	110
<b>Current assets</b>						
Financial assets						
Trade receivable	-	-	4,416	-	-	4319
Cash and cash equivalents	-	-	1,617	-	-	97
Bank Balance	-	-	1,625	-	-	1083
Other financial assets	-	-	302	-	-	672
<b>Total financial assets</b>	-	-	<b>8,075</b>	-	-	<b>6281</b>
<b>Non-current liabilities</b>						
Financial liabilities						
Borrowings	6	-	51	6	-	32
Non-current liabilities	-	-	16	-	-	10
<b>Current liabilities</b>						
Financial liabilities						
Trade payable	-	-	2,250	-	-	1889
Borrowings	-	-	81	-	-	467
Other financial liabilities	-	-	599	-	-	805
<b>Total financial liabilities</b>	<b>6</b>	<b>-</b>	<b>2,997</b>	<b>6</b>	<b>-</b>	<b>3,203</b>

(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.

## Notes on Financial Statements

Assets and liabilities which are measured at amortized cost for which fair values are disclosed as at 31st March 2021

	₹ in Lakhs			
	Level 1	Level 2	Level 3	Total
<b>Non-Current assets</b>				
Financial assets				
-Other financial assets	-	-	115	115
<b>Current assets</b>				
Financial assets				
Trade receivable	-	-	4,416	4,416
Cash and cash equivalents	-	-	1,617	1,617
Bank Balance	-	-	1,625	1,625
Other financial assets	-	-	302	302
<b>Total financial assets</b>	-	-	<b>8,075</b>	<b>8,075</b>
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings	6	-	51	57
Non-current liabilities	-	-	16	16
<b>Current liabilities</b>				
Financial liabilities				
Trade payable	-	-	2,250	2,250
Borrowing	-	-	81	81
Other financial liabilities	1	-	599	600
<b>Total financial liabilities</b>	<b>7</b>	-	<b>2,997</b>	<b>3,004</b>

Assets and liabilities which are measured at amortized cost for which fair values are disclosed as at 31st March 2020

	₹ in Lakhs			
	Level 1	Level 2	Level 3	Total
<b>Non-Current assets</b>				
Financial assets				
-Other financial assets	-	-	110	110
<b>Current assets</b>				
Financial assets				
Trade receivable	-	-	4,319	4,319
Cash and cash equivalents	-	-	97	97
Bank Balance	-	-	1,083	1,083
Other financial assets	-	-	672	672
<b>Total financial assets</b>	-	-	<b>6,281</b>	<b>6,281</b>
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings	6	-	32	38
Non-current liabilities	-	-	10	10
<b>Current liabilities</b>				
Financial liabilities				
Trade payable	-	-	1,889	1,889
Borrowing	-	-	467	467
Other financial liabilities	1	-	804	805
<b>Total financial liabilities</b>	<b>7</b>	-	<b>3,202</b>	<b>3,209</b>



## Notes on Financial Statements

Level 1 : The fair value of financial instrument traded in active markets (such as publicly traded derivatives and equity securities) is based on 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 is 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. 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 to shareholders and benefits to other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.
- The capital structure of the Company consists of net debt (borrowings as detailed in notes 16, 19 & 21 less cash and bank balances as detailed in note 10 & 11) and total equity of the Company. Equity consists of equity capital, share premium and all other equity reserves attributable to the equity holders.

The company's strategy is to optimize gearing ratios. The gearing ratios are as follows:

₹ in Lakhs

	31st March, 2021	31st March, 2020
Net debt	-	-
Total equity	12,979	7,057
<b>Net debt to equity ratio</b>	-	-

(b) Dividend

₹ in Lakhs

	As at 31st March, 2021	As at 31st March, 2020
<b>Dividend not recognized at the end of the reporting period</b>		
The Board of directors have recommended the payment of a final dividend of ₹ 1.20 per fully paid equity share (31st March, 2020 ₹ 1.20 per share). This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.	287.02	245.02
<b>Dividend recognized at the end of the reporting period</b>		
The Board of directors have recommended the payment of a final dividend of ₹ 1.20 per fully paid equity share (31st March, 2019 ₹ 1.20 per share). This final dividend is approved by the shareholders in the Annual General Meeting held on dated 30th September, 2020.	245.02	245.02

#### Financial risk management

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

## Notes on Financial Statements

The financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Company is not exposed to any financial risks such as market risk, credit risk and liquidity risk.

### a. Market Risk

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

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

#### Interest rate risk

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

Interest-rate risk exposure: the exposure of the company borrowing to interest-rate changes at the end of the reporting period

	₹ in Lakhs	
	As at 31st March, 2021	As at 31st March, 2020
Variable rate borrowings	-	467
Fixed rate borrowings	149	42

Sensitivity: Profit or loss is sensitive to higher/lower interest expense from borrowing as a result of change in interest rate.

#### 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.

As at March 31, 2021, 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, represent the maximum exposure to credit risk.

#### Expected credit loss for trade receivables under simplified approach

₹ in Lakhs

Ageing as at March 31, 2021	Not due	0-180 days	181-365 days	More than 365 days	Total
Gross carrying amount – trade receivable	3458	712	92	331	4593
Expected credit losses	-	(7)	(5)	(165)	(177)
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>3458</b>	<b>705</b>	<b>87</b>	<b>166</b>	<b>4416</b>

Ageing as at March 31, 2020	Not due	0-180 days	181-365 days	More than 365 days	Total
Gross carrying amount – trade receivable	2545	1493	248	94	4380
Expected credit losses	-	(43)	(13)	(5)	(61)
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>2545</b>	<b>1450</b>	<b>235</b>	<b>89</b>	<b>4319</b>

#### Liquidity risk

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

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

## Notes on Financial Statements

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

₹ in Lakhs

Non derivative financial liabilities	Within 1 year	1-2 year	More than 2 year	Total
<b>As at 31st March, 2021</b>				
Borrowing	17	31	20	68
Finance lease obligation	1	1	5	7
Borrowing	81			81
Trade payables	2,250	-	-	2,250
Other	581	-	-	581
	<b>2,930</b>	<b>32</b>	<b>25</b>	<b>2,987</b>
<b>As at 31st March, 2020</b>				
Borrowing	10	10	22	42
Finance lease obligation	1	1	5	7
Borrowing	467			467
Trade payables	1889	-	-	1889
Other	794	-	-	794
	<b>3,161</b>	<b>11</b>	<b>27</b>	<b>3,199</b>

### 43. Disclosure of Financial Lease hold land as per Ind As -17 –Leases is as under :-

₹ in Lakhs

Particulars	Carrying Value	Less than 1 year	1-5 years	> 5 years	Total payments
<b>As at 31st March, 2021</b>					
Lease hold land (Assets)	51	-	-	-	51
Minimum lease payment	36	1	3	32	36
Present value of minimum lease payments	7	1	3	3	7
<b>As at 31st March, 2020</b>					
Lease hold land (Assets)	52	-	-	-	52
Minimum lease payment	37	1	3	33	37
Present value of minimum lease payments	<b>7</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>7</b>

The Company has taken land on lease for its plants from different Govt. /Govt. Agencies for long term period, with terms of further renewal.

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

For **Chaturvedi & Co.**

Chartered Accountants

Firm Registration No.302137E

**Pankaj Chaturvedi**

Partner

M.No.091239

New Delhi

17 th May, 2021

For and on behalf of the Board

**Vikram Agarwal**

Director

DIN:00054125

**Sonu Sharma**

Company Secretary

M.No.ACS 61638

**Kanha Agarwal**

Managing Director

DIN:06885529

**Dalip Kumar Sharma**

Chief Financial Officer

# NOTICE

NOTICE is hereby given that the 4th Annual General Meeting of the Members of Prakash Pipes Limited will be held through Video Conferencing (VC) / Other Audio Visual Means (OAVM) on Thursday, the 30th September, 2021 at 12.30 p.m. IST to transact the following business: -

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2021, Profit and Loss Account and Cash Flow Statement for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To approve payment of dividend of ₹1.20 per Equity Shares (i.e. @12%) for the financial year ended on 31st March, 2021.
3. To appoint a Director in place of Shri Ved Prakash Agarwal (DIN: 00054125), who retires by rotation and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS

4. To ratify the remuneration of Cost Auditors for the financial year 2021-22

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

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) the remuneration payable to M/s SKG & Co., (FRN : 000418), Cost Accountants, the Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2021-22 amounting to ₹ 50,000/- (Rupees Fifty Thousand Only) apart from reimbursement of actual expenses to be incurred by them in connection with conducting the audit of cost records of the Company, be and is hereby ratified and confirmed.

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

5. To approve the shifting of registered office from the State of Punjab to NCT of Delhi.

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

**“RESOLVED THAT** pursuant to the provisions of Section 13 and other applicable provisions of the Companies Act, 2013, read with The Companies (Incorporation) Rules, 2014 including amendments thereto, existing and forthcoming, as the case may be, if any, and subject to approval of The Central Government (powers vested in The Regional Director), the consent of members be and is hereby given so as to change the location of Company's Registered office from the State of Punjab to NCT of Delhi and that Clause II of the Memorandum of Association of the Company i.e. Situation clause, be and is hereby altered by substituting it with the following new Clause:

**II. The Registered office of the Company will be situated in the NCT of Delhi.**

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, Shri Kanha Agarwal, Managing Director and Shri Sonu Sharma, Company Secretary of the Company be and are hereby jointly and severally authorized to do all such acts, deeds, matters and things as may be necessary for and on behalf of the Company so as to give effect to this resolution with no further approval of members being required for the purpose and that a copy of alteration as aforesaid shall be carried out in each copy of Memorandum issued thereafter.”

By order of the Board  
For Prakash Pipes Limited

Sonu Sharma  
Company Secretary

Registered Office:  
Darjiyan Wali Gali, Rayya,  
Teh-Baba Bakala,  
Dist.- Amritsar-143112 (Pb)  
Dated : 17th May, 2021  
CIN : L225209PB2017PLC046660

## NOTES:

1. The statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
2. In view of the outbreak of the COVID-19 pandemic, social distancing norm to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8th April, 2020, 13th April, 2020 and 5th May, 2020, and clarification circular No.02/2021 dated 13th January, 2021 respectively issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR /P/2020/79 dated 12th May, 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 4th AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of Members at a common venue. The deemed venue for the 4th AGM shall be the Registered Office of the Company
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorised e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
6. Since this AGM is being held pursuant to the MCA circulars through VC/OAVM, physical attendance of Members has been dispensed with and there is no provision for the appointment of proxies. Accordingly, the facility for appointment of proxies by the Members under Section 105 of the Act will not be available for the 4th AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice
7. Members may also note that the Notice of this Annual General Meeting and the Annual Report for the financial year 2020-21 will also be available on the Company's website [www.prakashplastics.in](http://www.prakashplastics.in) for their download. The same shall also be available on the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of CDSL <https://www.evotingindia.com>. Members may also note that pursuant to Sections 101 and 136 of the Act read with the Rules framed thereunder, the Notice calling the 4th AGM along with the Annual Report for Financial Year 2021 are being sent by electronic mode to those Members whose E-mail addresses are registered with the DPs or the Company/Depositories.
8. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1st April, 2020 and the Company is required to deduct tax at source (TDS) from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. To enable the Company to determine the appropriate TDS / withholding tax rate applicability, a Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to the Company at [pplho@prakash.com](mailto:pplho@prakash.com) by 16th September, 2021. No communication on the tax determination / deduction shall be entertained thereafter. The shareholders are requested to update their PAN with the Company (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).
9. In order to provide protection against fraudulent encashment of dividend warrants, shareholders holding shares in electronic form, Bank account details provided by the Depository Participants (DPs) will be used by the Company for printing on dividend warrants. Shareholders who wish to change such bank accounts may advise their DPs about such change with complete details of Bank Account including MICR Code. Shareholders residing at the regions where NECS / NEFT / Direct Credit / RTGS / Swift Facility is available are advised to avail of the option to collect dividend by way of these Electronic Modes.
10. Register of Members and Share Transfer Books will remain closed from Thursday, 16th September, 2021 to Saturday, 18th September, 2021 (both days inclusive) for the purpose of determining the entitlement of members for the payment of Dividend for the financial year ended 31st March 2021, if declared at the Meeting.
11. Members are requested to quote their folio, DP and client ID No. in all correspondence with the Company.
  - i. If there is any change in the postal address / email ID, members may update their new address or email ID with

their respective DP in case of holding shares in demat form and if holding shares in physical form they should write to the Company.

- II. Members holding shares in physical form and desirous of making nomination in respect of their shareholding in the Company may send Form SH-13 for the purpose which is available at the Corporate Office of the Company or may be downloaded from the Company's website [www.prakashplastics.in](http://www.prakashplastics.in)
  - III. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities Market. Members holding shares in demat form are requested to update their PAN details with their respective DPs and those holding shares in physical form may send self- attested copy of PAN card to the Company.
12. As per rules regarding unpaid / unclaimed dividend prescribed by MCA, Company has already given the details of unpaid/ unclaimed dividend for the financial year 2018-19 and 2019-20 on the website of Investor Education and Protection Fund (IEPF) viz. [www.iepf.gov.in](http://www.iepf.gov.in). Investors can also check their unpaid / unclaimed dividend details from the above said website.

Members who have not received / encashed their dividend warrants for the financial year 2018-19 and 2019-20 may please write to Shri Sonu Sharma, Company Secretary and Compliance Officer, at the Company's Corporate Office for claiming the said dividends. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund.

Also pursuant to the provisions of the recently notified Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more, shall also be transferred to the Investor Education and Protection Fund (IEPF).

Form for providing bank details is available on the Company's website [www.prakashplastics.in](http://www.prakashplastics.in) and also annexed with the Annual Report.

13. Transfer of Unpaid / Unclaimed Amounts to Investor Education and Protection Fund
- During the year under review, the Company has credited ₹ 95,053.20 for the dividend on 79211 shares already transferred to IEPF and ₹ 193,619.90 for sale proceed of the fractional share held by the company.
- The Company has uploaded on its website the details of unpaid and unclaimed amounts lying with the Company as on date of last Annual General Meeting i.e. 30th September, 2020. The aforesaid details are put on the Company's website and can be accessed at <https://prakash.com/unclaimed-dividend/>.

The Company has also uploaded these details on the website of the IEPF Authority viz. [www.iepf.gov.in](http://www.iepf.gov.in).

14. Members holding shares in physical form are advised to convert their shareholding in dematerialized form with any depository participant.
15. The Extracts of the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 are available on the website of the Company.
16. Members, who have not registered their email ids for the said purpose, are requested to support this Green Initiative by registering/ updating their email ids for receiving electronic communications.

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

#### THE INTRUCTIONS FOR MEMBERS FOR REMOTE EVOTING ARE AS UNDER:

- (i) The voting period begins on 27th September, 2021 (09:00 a.m.) and ends on 29th September, 2021 (05:00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 23rd September, 2021, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR /P/2020/242 dated 9th December, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/ retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders

would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through

their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>.</li> <li>3) Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>4) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol>



Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) **Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
<b>PAN</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)  Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and 8 digits client ID or folio number, if folio number is less than 8 digits enter the applicable number of 0's before folio number.
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.  If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (3).

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

- (ix) Click on the EVSN for the **Prakash Pipes Limited** on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

#### **Facility for Non – Individual Shareholders and Custodians – Remote Voting**

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [pplho@prakash.com](mailto:pplho@prakash.com), if they have voted from

individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

#### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 4 days prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at Company's email id viz. [pplho@prakash.com](mailto:pplho@prakash.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 4 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at Company's email id viz. [pplho@prakash.com](mailto:pplho@prakash.com). Queries that remain unanswered at the AGM will be appropriately responded by the Company.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the evoting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**OTHER INFORMATION:**

- A. Only those shareholders of the Company who are holding shares either in physical form or in dematerialized form, as on the cut-off date (i.e. Thursday, 23rd September, 2021), shall be entitled to cast their vote either through remote e-voting or through venue voting through VC/OAVM at the AGM, as the case may be. Any person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
- B. The Members who have cast their votes by remote-voting prior to the AGM may also attend and participate in the proceedings of the AGM through VC/OAVM but shall not be entitled to cast their votes again.
- C. The members can opt for only one mode of voting i.e. remote e-voting or venue voting through VC/OAVM at the AGM. In case of voting by both the modes, vote cast through remote e-voting will be considered final and evoting through VC/OAVM at AGM will not be considered
- D. The Board of Directors has appointed M/s BK Bohra & Associates, Company Secretaries (Membership No. A62344 & CP No.23511) the Scrutinizer to scrutinize the remote e-voting process and venue voting in the meeting, in a fair and transparent manner.
- E. The results declared along with the Scrutinizer's Report shall be placed on the Company's website at [www.prakashplastics.in](http://www.prakashplastics.in) and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com) immediately.
- F. Since the AGM will be held through VC/OVAM, the route map is not annexed to the notice. The deemed venue for AGM shall be the Registered Office of the Company.
11. Details of Directors seeking appointment / re appointment at the forthcoming AGM pursuant to Regulations 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and clause 1.2.5. of the SS-2 are as per Annexure -A

**EXPLANATORY STATEMENT**

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

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

**Item No.4**

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

The Board on the recommendation of the Audit Committee has approved the remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2021-22 as mentioned in the resolution set out at Item No.4 of the notice.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at this item of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2021-22.

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

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

**Item No. 5**

Presently, the Registered Office of your Company is situated in the State of Punjab.

To exercise better administrative and economic control with a view to reduce overheads, rationalise costs, and enable the Company to streamline its operations as well as management of affairs of the Company, it is proposed to shift the Registered Office of the Company from the State of Punjab to NCT of Delhi, since more of Directors of your Company are based out of Delhi/NCR, whereby it would ensure availability of top management at any given point of time hence, Board was of the view that shifting of registered office as proposed shall be in best interest of the Company, members and all concerned.

The proposed change as aforesaid would require amendment in the Registered Office Clause of the Memorandum of Association of your Company. Hence your Board proposes to shift the location

of registered office from the State of Punjab to NCT of Delhi for better business prospects and administrative and compliance convenience in time to come.

The proposed shifting shall not be detrimental to the interest of members, public, creditors or employees, in any manner whatsoever.

In terms of requirements of Section 13 of The Companies Act, 2013 approval of members and the Central Government (Regional Director) is required, henceforth your Directors recommend passing of above stated resolution, subject to said approval, as Special Resolution in the larger interest of the Company.

The necessary application before the Hon'ble Regional Director, Northern Region, Ministry of Corporate Affairs at New Delhi shall be made after seeking members approval via present resolution.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise in the Resolution except to the extent of their shareholding, if any, yet it may be noted that the proposed resolution is compliance based resolution, hence does not hold much significance and should be construed accordingly.

Members may additionally note there is no key managerial personnel whose interest is required to be stated. There are no other Relatives of Director/KMP etc. whose interest is required to be stated.

Your Board has acted in an unbiased manner and shall act in the larger interest of the Company.

The necessary application shall be made by Board after seeking approval of members and other terms and conditions, if any, shall be finalized/accepted by the Board of Directors, pursuant to present authorization, who shall act as per conditions etc., if imposed, by office of Regional Director, Northern Region at New Delhi, Registrar of Companies, Punjab at Chandigarh, if required, and/or any other Statutory Authorities, if any, and also in the larger interest of the Company.

The Board recommends the Resolution set out at Item No.5 for your approval.

By order of the Board  
For Prakash Pipes Limited

**Sonu Sharma**  
Company Secretary

Registered Office:  
Darjiyan Wali Gali, Rayya,  
Teh-Baba Bakala,  
Dist.- Amritsar-143112 (Pb)  
Dated : 17th May, 2021  
CIN : L225209PB2017PLC046660

## ANNEXURE-A

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

<b>Name of the Directors</b>	<b>Shri Ved Prakash Agarwal</b>
Date of Birth	24.03.1956
Date of First appointment on the Board	29.06.2017
Qualifications	Graduate
Experience / Expertise in specific function areas /Brief resume of the Director.	Shri Ved Prakash Agarwal is associated with the Company since its incorporation.
Terms and Conditions of appointment/re-appointment	Proposed re-appointment is as per Section 152 and 160 of Companies Act, 2013
Details of remuneration sought to be paid and remuneration last drawn	No remuneration or sitting fee is payable
Disclosure of Relationship with other Directors Manager and Key Managerial Personnel of the Company	Shri Vikram Agarwal, Director and Shri Kanha Agarwal , Managing Director of the company are sons of Shri Ved Prakash Agarwal
No. of Meeting of Board of Directors attended during the FY2020-21	5
Other Directorship held	7
Membership/Chairmanship of Committees of other Boards	1 (share transfer committee)
Shareholding in the Company	3590860

## NATIONAL ELECTRONIC CLEARING SERVICES (NECS)

To, Company Secretary Prakash Pipes Limited Srivan, Najafgarh-Bijwasan Road, Bijwasan, New Delhi-110061	To, The Depository Participant Concerned <i>(In case of Shares held in Demat, Form be sent direct to DP and not to the Company)</i>
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Dear Sirs,  
Please fill in the information in CAPITAL LETTERS in ENGLISH only

For Office Only

Ref. No. **Shares held in Physical Form**Folio No. **Shares held in Demat Form**DP ID No. (NSDL)\*  Client ID No. DP ID & Client ID No. (CDSL)\* 

\*Applicable for Investors holding shares in Demat Form

Name of Sole/First holder	<input type="text"/>
Bank Name	<input type="text"/>
Branch Name	<input type="text"/>
Branch Code	<input type="text"/> (9 Digits Code number appearing on the MICR Band of the cheque supplied by the Bank) <i>Please attach a Xerox copy of cancelled cheque for ensuring accuracy of the Bank's name, branch name and code no. etc.</i>

Account Type (Please Tick(✓) wherever applicable)	Savings <input type="checkbox"/>	Current <input type="checkbox"/>	Cash Credit <input type="checkbox"/>
--	----------------------------------	----------------------------------	--------------------------------------

Account No. (As appearing in cheque book)	<input type="text"/>
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I, hereby declare that the particulars given above are correct and complete. I shall not hold the Company, responsible if any transaction is delayed or not effected at all for reasons of incompleteness or incorrectness of information supplied as above, I agree to avail the NACH facility as implemented by Prakash Pipes Limited.

I further undertake to inform Prakash Pipes Limited OR concerned Depository Participant of any change in the particulars given above to facilitate updation of records.

Place : \_\_\_\_\_

Date : \_\_\_\_\_

\_\_\_\_\_

(Signature of Sole/First holder)

Phone/Mob. : \_\_\_\_\_

Email : \_\_\_\_\_

Notes:

- FOR SHARES HELD IN PHYSICAL FORM, NACH MANDATE IS REQUIRED TO BE SENT TO THE COMPANY AT ABOVE ADDRESS.
- FOR SHARES HELD IN DEMATERIALIZED FORM, NACH MANDATE IS REQUIRED TO BE FILED WITH THE CONCERNED DEPOSITORY PARTICIPANT AND NOT TO THE COMPANY













## **Prakash Pipes Limited**

**Corporate Office**

Srivan, Bijwasan, New Delhi 110061  
P: +91 11 25305800, F: +91 11 28062119

E: [pplho@prakash.com](mailto:pplho@prakash.com)  
W: [www.prakashplastics.in](http://www.prakashplastics.in)