

CHATURVEDI & CO.

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRAKASH PIPES LIMITED

Report on the Audit of the Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

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

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

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

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in



accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



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

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

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

Report on Other Legal and Regulatory Requirements

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

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 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 any pending litigations which would impact its financial.
 - ii. The Company has made provision, as required under the applicable law or accounting standards. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses



iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

New Delhi
April 24, 2019



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

A handwritten signature in dark ink, appearing to be "Pankaj Chaturvedi", written over a horizontal line.

PANKAJ CHATURVEDI
Partner
Membership No. 091239

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the registered sale deed and lease agreement provided to us, we report that, the title deeds, comprising all freehold immovable properties of land and buildings and leasehold land which were transferred in pursuant to the scheme of demerger, are yet to be transferred in the name of the Demerged as at the balance sheet date.
- ii. According to the information and explanation given to us, the management has conducted physical verification of inventory at reasonable intervals during the year. The discrepancies noticed on verification between physical inventory and book records were not material and have been properly dealt with in the book of account.
- iii. According to the information and explanations given to us, the Company has granted unsecured loans to a body corporate, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

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

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

(c) There is no overdue amount remaining outstanding as at the year-end.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under during the year. Accordingly, the provisions of Para 3 (v) of the Order are not applicable to the Company.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Rules made by the Central Government under sub-section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of these records with a view to determining whether they are accurate or complete.
- vii. (a) According to information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employee's state insurance, income tax, goods and service tax, duty of customs, cess and any other material statutory dues applicable to it with the appropriate authorities except advance income tax of Rs.373 lakhs is pending to be deposited since more than six months..



- (b) According to the information and explanations given to us and the records of the Company examined by us, there were no outstanding dues in respect of income tax, duty of customs and other material statutory dues which as at March 31, 2019 have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us, there is no loan or borrowing taken from Government or has not been issued debenture during the year. The Company has not defaulted in repayment of loans or borrowing to bank.
- ix. According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans have been applied for the purposes for which raised.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees have been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on the audit procedures conducted by us, no the managerial remuneration has been paid or provided during the year. Accordingly, the provisions of Para 3 (xi) of the Order are not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of Para 3 (xii) of the Order are not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of Para 3 (xii) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

New Delhi
April 24, 2019



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


PANKAJ CHATURVEDI
Partner
Membership No. 091239

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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



being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

New Delhi
April 24, 2019



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

A handwritten signature in black ink, appearing to read "Pankaj Chaturvedi".

PANKAJ CHATURVEDI
Partner
Membership No. 091239

Prakash Pipes Limited

Balance Sheet as at 31st March, 2019

₹ in lakhs

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

* Figure is less than one lakh

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

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

Pankaj Chaturvedi
Partner
M.No. 091239
New Delhi
24th April, 2019



For and on behalf of the Board

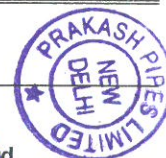
V. P. Agarwal

V. P. Agarwal
Chairman
DIN: 00048907

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

Vikram Agarwal
Vikram Agarwal
Director
DIN: 00054125

Dalip Kumar Sharma
Dalip Kumar Sharma
CFO



Prakash Pipes Limited

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

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

* Figure is less than one lakh

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

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

Pankaj Chaturvedi
Partner
M.No.091239
New Delhi
24th April, 2019



For and on behalf of the Board

V. P. Agarwal
Chairman
DIN:00048907

Pawan Kumar
Company Secretary
M.No.FCS 7951

Vikram Agarwal
Director
DIN:00054125

Dalip Kumar Sharma
CFO



Prakash Pipes Limited

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

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

	Number of Shares	Amount
Balance as at 29th June, 2017	-	-
Addition during the year	10,000	1
Balance as at 31st March, 2018	10,000	1
Cancelled in pursuant to the scheme of demerger (refer note 14)	(10,000)	(1)
Equity Share Suspense account	204,18,354	2,042
Balance as at 31st March, 2019	204,18,354	2,042

B. Other Equity

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

* Figure is less than one lakh

Nature and purpose of Reserve

1. Capital Reserve :- The capital reserve is recognised in pursuant to the scheme of arrangement and demerger ("the scheme") between Prakash Industries limited (PIL) ("the demerged company") and Prakash Pipes Limited (PPL) ("the resulting company") as approved by the National Company Law Tribunal (NCLT) Chandigarh on March 14, 2019. This reserve is not freely available for distribution to the shareholders. In respect of cancellation of shares held by PIL, PPL has debited to its Equity Share Capital Account and corresponding credited to Capital Reserve to PPL.

2. Retained earning :- Retained earning comprise of the profits of the company earned till date net of distributions and other adjustments.

3. General Reserve: General Reserve is the portion of the net profit transferred by the Company during the year.



Prakash Pipes Limited

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

(₹ in lakhs)

CASH FLOW STATEMENT

For the year ended
31st March,2019

For the period ended
31st March,2018

A. Cash Flow From Operating Activities :

Profit before tax		3,827	-
Adjustments for			
Provision for employee benefit	27	-	-
Allowance for doubtful debts and advances	5	-	-
Depreciation expenses	472	-	-
Interest & Other Income	(15)	-	-
Loss/(Profit) on sale of fixed assets	(18)	-	-
Financial Costs	20	491	-
Operating Profit before working Capital changes		4,318	- *
Adjustments for			
Increase in Trade receivables	(331)	-	-
Increase in Other financial assets	(1,390)	-	-
Increase in Other current assets	(693)	-	-
Decrease in Inventories	238	-	-
Increase in Trade payable and other financial liabilities	589	-	-
Increase in Other current liabilities	59	(1,528)	-
Cash generated from operations		2,790	- *
Direct Taxes Paid(Net of refund)		767	-
Net Cash from operating activities		2,023	

B. Cash Flow From Investing Activities:

Proceeds from Sale of fixed assets		19	-
Payment for Property, Plant and Equipment including CWIP and capital advances		(2,031)	-
Interest received		17	-
Net cash used in investing activities		(1,995)	

C. Cash Flow From Financing Activities :

Proceeds from Issue of Share Capital		-	1
Proceeds/(Repayments) from borrowings (Net)		9	-
Interest paid		(1)	-
Net Cash from financing activities		8	1

Net Changes in Cash & Cash equivalents (A+B+C) 36 1

Opening balance of Cash & Cash equivalents 1 -

Add: In pursuant of Demerger 34

Closing balance of Cash & Cash equivalents 71 1

* Figures is less than one lakh

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For **Chaturvedi & Co.**
Chartered Accountants

Pankaj Chaturvedi
Partner
M.No.091239
New Delhi
24th April,2019



For and on behalf of the Board

V. P. Agarwal

V. P. Agarwal
Chairman
DIN:00048907

Vikram Agarwal
Director
DIN:00054125

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

Dalip Sharma
Dalip Kumar Sharma
CFO



Prakash Pipes Limited

Notes on Financial Statements

1. Company Overview

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

2. Recent accounting pronouncements

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

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

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

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

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

Certain practical expedients are available under both the methods.

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



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

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

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

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

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

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

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

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

The amendments require an entity:

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

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



Prakash Pipes Limited

Notes on 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.

3.2 Critical accounting judgements and key sources of estimation uncertainty

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

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.



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Key sources of estimation uncertainty

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

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

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

3.3 Operating Cycle and Current versus non-current classification

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

3.4 Revenue recognition

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

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

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

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

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

3.5 Segment Reporting

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

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



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reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities.

3.6 Government grants

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

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

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

3.7 Property, plant and equipment

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

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

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

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

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

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates



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and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

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

3.8 **Capital work-in-progress**

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

3.9 **Income tax**

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

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

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

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

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



3.10 Leases

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

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

Finance Lease: Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

3.11 Impairment of assets

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

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



Prakash Pipes Limited

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

3.12 *Cash and cash equivalents*

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

3.13 *Provisions and Contingent Liabilities:*

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

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

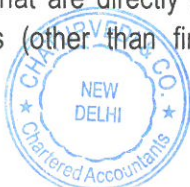
Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises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

3.14 *Inventories*

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

3.15 *Non-derivative financial instruments*

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value



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through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

a. **Financial assets – Subsequent measurement**

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

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

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

b. **Financial liabilities - Subsequent measurement**

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

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

Derecognition

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

c. **Offsetting of financial instruments**

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

3.16 **Employee Benefits**

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

Post-employment benefit plans



Defined Contribution plans

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

Defined benefit plans

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

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

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

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

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

3.17 Business combination – common control transaction

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

- The assets and liabilities of the resulting entity are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognize any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.



Prakash Pipes Limited

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- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and net assets transferred to capital reserve and is presented separately from other capital reserves.

3.18 *Earnings per share (EPS)*

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



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

₹ in lakhs

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

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



Prakash Pipes Limited

Notes on Financial Statements

₹ in lakhs

5 Other Financial Assets	As at 31st March,2019	As at 31st March,2018
Non current financial assets		
(unsecured, considered good, unless otherwise stated)		

Security Deposits	82	-
	<u>82</u>	<u>-</u>

6 Other Non Current Assets	As at 31st March,2019	As at 31st March,2018
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(unsecured, considered good, unless otherwise stated)		
Capital Advances	77	-
	<u>77</u>	<u>-</u>

7 Deferred Tax Assets(Net)	As at 31st March,2019	As at 31st March,2018
-----------------------------------	------------------------------	------------------------------

MAT Credit Entitlement	2,163	-
Less: Deferred Tax Liabilities(Net)	<u>54</u>	<u>-</u>
(refer note no.36)	<u>2,109</u>	<u>-</u>

8 Inventories	As at 31st March,2019	As at 31st March,2018
Current assets		

(As taken, valued and certified by the Management)

Raw Materials	739	-
Finished Goods	739	-
Work In Progress	49	-
Stores, Spares & Fuels	204	-
Scrap & Waste	7	-
	<u>1,738</u>	<u>-</u>



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₹ in lakhs

9 Trade Receivables Current financial assets

As at 31st March,2019 As at 31st March,2018

Trade Receivable considered good-unsecured	2,966	-
Trade Receivable which have significant increase in credit risk	208	-
	<u>3,174</u>	-
Less: Trade Receivable-credit impaired	11	-
	<u>3,163</u>	-
The movement in allowance for bad and doubtful debts:		
Balance as at beginning of the year	-	-
In pursuant to scheme of demerger	6	-
Allowance for bad and doubtful debts during the year	5	-
Trade receivables written off during the year	-	-
	<u>11</u>	-

10 Cash And Cash Equivalents

As at 31st March,2019 As at 31st March,2018

Balances with banks:		
On Current Accounts	69	1
Cash on hand	2	-
	<u>71</u>	<u>1</u>

11 Loan

As at 31st March,2019 As at 31st March,2018

Loan Receivable considered good-unsecured (refer note 37)	1,020	-
Loan Receivable which have significant increase in credit risk	-	-
	<u>1,020</u>	-
Less: Loan Receivable-credit impaired	-	-
	<u>1,020</u>	-

12 Other Financial Assets Current financial assets

As at 31st March,2019 As at 31st March,2018

(Unsecured considered good, unless otherwise stated)

Interest accrued	4	-
Claims Recoverable	397	-
	<u>401</u>	-
Less: Allowance for Claim Recoverable	(3)	-
	<u>398</u>	-
The movement in allowance for bad and doubtful Claims:		
Balance as at beginning of the year	-	-
In pursuant to scheme of demerger	3	-
Allowance for bad and doubtful debts during the year	-	-
Claim receivables written off during the year	-	-
	<u>3</u>	-

13 Other Current Assets

As at 31st March,2019 As at 31st March,2018

(Unsecured considered good, unless otherwise stated)

Balances with Customs, Central Excise, VAT etc.	448	-
Advances to vendors	552	-
Other advances(including prepaid expenses etc.)	31	-
	<u>1,031</u>	-



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₹ in lakhs

14 Equity Share Capital

As at 31st March,2019

As at 31st March,2018

Authorised

2,50,00,000 (31st March, 2018: 10,000) Equity Shares Of ₹ 10 each	2,500	1
	<u>2,500</u>	<u>1</u>

Issued, Subscribed and Paid Up

Equity

Nil (31 st March,2018, 10,000)Equity Shares of Rs 10each	-	1
Equity Share Suspense account (refer note below)	2,042	-
	<u>2,042</u>	<u>1</u>

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

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

Notes:

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

b) 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) With the issue and allotment of the new equity shares by PPL to the equity shareholders of PIL, in accordance with demerger to the scheme, in the books of PPL, all the equity shares issued by PPL to PIL and held by PIL as on 01st April, 2018 stand cancelled, extinguished and annulled on and from the effective date.

15 Other Equity

As at 31st March,2019

As at 31st March,2018

Capital Reserve on demerger	5,943	-
Retained Earnings	1,864	-
General Reserve	1,000	-
Other Comprehensive Income	(27)	-
Contingent consideration (refer note 33)	95	-
	<u>8,875</u>	<u>-</u>

16 Borrowings

As at 31st March,2019

As at 31st March,2018

Non current financial liabilities

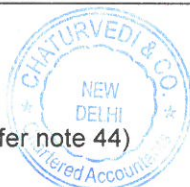
Secured

Term Loan

From Bank	7	-
Finance Lease Obligation (refer note 44)	6	-
	<u>13</u>	<u>-</u>

Terms and Conditions

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



Prakash Pipes Limited

Notes on Financial Statements

₹ in lakhs

17 Non Current Liabilities

As at 31st March, 2019

As at 31st March, 2018

Deferred Income

14

-

14

-

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

18 Provisions

As at 31st March, 2019

As at 31st March, 2018

For Employee Benefits (refer note 34)

206

-

206

-

19 Trade Payables

As at 31st March, 2019

As at 31st March, 2018

Current financial liabilities

-Total outstanding dues of Micro Enterprises and Small Enterprises

463

-

-Total outstanding due of creditors other than Micro Enterprises and Small Enterprises

1,146

-

1,609

-

20 Other Financial Liabilities

As at 31st March, 2019

As at 31st March, 2018

Current Maturity of long term debts

2

-

Current Maturity of Finance lease obligations

1

-

Others

Salary, wages and benefits payable

96

-

Other expenses payables

114

-

213

-

21 Other Current Liabilities

As at 31st March, 2019

As at 31st March, 2018

Statutory dues payable

158

-

Advances from Customers

27

-

Deferred Income (refer note 17.1)

3

188

-

22 Provisions

As at 31st March, 2019

As at 31st March, 2018

For Employee Benefits (refer note 34)

65

-

65

-

23 Current Tax Liabilities (Net)

As at 31st March, 2019

As at 31st March, 2018

Provision for Income Tax (Net)

828

-

828

-



Prakash Pipes Limited

Notes on Financial Statements

₹ in lakhs

24 Revenue From Operations	For the year ended 31st March,2019	For the period ended 31st March,2018
Sale of products	34,096	-
	<u>34,096</u>	<u>-</u>
25 Other Income	For the year ended 31st March,2019	For the period ended 31st March,2018
Interest Income	15	-
Miscellaneous income	426	-
Profit on Sale of Fixed Assets	18	-
	<u>459</u>	<u>-</u>
26 Change In Inventories Of Finished Goods And Work In Progress	For the year ended 31st March,2019	For the period ended 31st March,2018
Closing Inventories		
Finished products	739	-
Work in process	49	-
Scrap and waste	<u>7</u>	<u>-</u>
	795	-
Opening Inventories		
Finished products	891	-
Work in process	37	-
Scrap and waste	<u>7</u>	<u>-</u>
	935	-
	<u>140</u>	<u>-</u>
27 Employee Benefits Expenses	For the year ended 31st March,2019	For the period ended 31st March,2018
Salaries, wages and other benefits	1,218	-
Contribution to provident & other funds	60	-
Employee's welfare expenses	14	-
	<u>1,292</u>	<u>-</u>
28 Finance Costs	For the year ended 31st March,2019	For the period ended 31st March,2018
Interest	20	-
	<u>20</u>	<u>-</u>



Prakash Pipes Limited

Notes on Financial Statements

₹ in lakhs

29 Depreciation expense	For the year ended 31st March, 2019	For the period ended 31st March, 2018
Depreciation on tangible assets	472	-
	<u>472</u>	<u>-</u>
30 Other Expenses	For the year ended 31st March, 2019	For the period ended 31st March, 2018
Power and fuel	972	-
Processing Charges	22	-
Stores and spares	159	-
Repairs to:		
Machinery	172	-
Building	30	-
Others	<u>1</u>	<u>-</u>
	203	-
Insurance	3	-
Rates and taxes	12	-
Travelling and Conveyance	26	-
Vehicle maintenance	18	-
Auditor's remuneration:		
'-Statutory Audit fees	10	-
Legal & professional charges	85	-
Miscellaneous expenses	40	-
Allowance for doubtful Debts & Advances	5	-
Bank Charges	1	-
Advertisement	32	-
Packing & forwarding charges	1,071	-
Sales promotion	70	-
	<u>2,729</u>	<u>-</u>



Prakash Pipes Limited

Notes on Financial Statements

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

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

32. **Due to Micro and Small Enterprises:**

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

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

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

33. **Demerger**

a) Pursuant to the order of National Company Law Tribunal (NCLT), Chandigarh, PVC pipes undertaking of Prakash Industries Limited has been demerged into Prakash Pipes Limited (Resulting Company) w.e.f April 1st, 2018, being appointed date and pursuant to NCLT order Prakash Pipes Limited ceased to be Subsidiary of Prakash Industries Limited from appointed date.

b) Pursuant to the Scheme of Arrangement and Demerger ("the Scheme") under Section 230 to 232 of the Companies Act, 2013 between Prakash Industries Limited (PIL) ("the demerged company") and Prakash Pipes Limited (PPL) ("the resulting company") as approved by the National Company Law Tribunal (NCLT), Chandigarh on March 14, 2019.

- i. The business, undertaking, activities, properties and liabilities, whatsoever nature and kind and whosoever situated, of PIL pertaining to PVC pipes business as on the appointed date (April 1, 2018) have been transferred to the PPL at their respective book values.



Prakash Pipes Limited

Notes on Financial Statements

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

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

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

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

- IV. The difference between net assets transferred and aggregate face value of the new equity shares to be issued by the PPL to member of PIL is recorded as Capital Reserve.

- V. The assets of the PVC Pipes undertaking are concerned, the security, pledge, existing charges and mortgages, over such assets, to the extent that they relate to any loans or borrowings of the Remaining Business of PIL shall, without any further act, instrument or deed be released and discharged from the same and shall no longer be available as security, pledge, charges and mortgages in relation to those liabilities of PIL which are not transferred to PPL.

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

- A) Defined Contribution Plans:

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

A) Defined Contribution Plans:		
During the year, the company has recognised the following amounts in the Statement of Profit & Loss (included in Contribution to Provident & Other Funds):-		
Particulars	For the year ended 31 st March, 2019	For the period ended 31 st March, 2018
Contribution to Provident Fund	45	-
Contribution to Employees' State Insurance	15	-



Prakash Pipes Limited

Notes on Financial Statements

B) Defined Benefit Plan:						
Reconciliation of opening and closing balances of Defined Benefit obligation						
Particulars	For the year ended 31st March, 2019			For the period ended 31st March, 2018		
	(Unfunded)			(Unfunded)		
	Gratuity	Leave	Sick	Gratuity	Leave	Sick
Defined Benefits obligation at the beginning of the year	148	62	11	-	-	-
Current Service Cost	17	9	2	-	-	-
Interest Cost	11	5	1	-	-	-
Actuarial (gain)/loss	17	12	(1)	-	-	-
Benefit paid	(14)	(10)	-	-	-	-
Defined Benefit obligation at the year end	179	78	13	-	-	-
Reconciliation of fair value of assets and obligations						
Present value of obligation at year end	179	78	13	-	-	-
Amount recognized in Balance Sheet	179	78	13	-	-	-
Expenses recognized during the year						
Current Service Cost	17	9	2	-	-	-
Interest Cost	11	5	1	-	-	-
Actuarial gain/(loss)	(17)	(11)	1	-	-	-
Total Cost recognized in the Profit & Loss A/c	11	3	3	-	-	-
Actuarial assumption						
Mortality Table (Ultimate)	IALM 2006-08 (Ultimate)	IALM 2006-08 (Ultimate)	IALM 2006-08 (Ultimate)	IALM 2006-08 (Ultimate)	IALM 2006-08 (Ultimate)	IALM 2006-08 (Ultimate)
Discount rate (per annum)	7.75%	7.75%	7.75%	-	-	-
Rate of escalation in salary (per annum)	5%	5%	5%	-	-	-

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



Prakash Pipes Limited

Notes on Financial Statements

35. Income tax expense:

₹ in lakhs

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

₹ in lakhs

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

₹ in lakhs

(C)	Tax Assets and Liabilities	As at 31 st March, 2019	As at 31 st March, 2018
	Non-current tax assets	-	-
	Current tax liabilities (net)	828	-

36. Movement in Deferred Tax Assets and Liabilities.

₹ in lakhs

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



Prakash Pipes Limited

Notes on Financial Statements

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

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

1. Prakash Industries Limited

(B) Key Management Personnel :

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

(C) Transactions with the related parties.

₹ in lakhs

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

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

38. Earning per share (EPS)

₹ in lakhs

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

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

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

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



Prakash Pipes Limited

Notes on Financial Statements

40. Segment Information:

Operating Segments

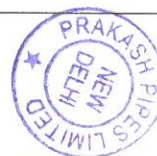
The Company has determined following reporting segments based on the operating results of its business segments reviewed by the Company's Chief Operating Decision Maker for the purpose of making decision about resource allocation and performance assessment.

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

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

41. (a) Fair value measurements

(₹ in lakhs)						
	31 st March 2019			31 st March 2018		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Non-Current assets						
Financial assets						
-Other financial assets	-	-	82	-	-	-
Current assets						
Financial assets						
Trade receivable	-	-	3163	-	-	-
Cash and cash equivalents	-	-	71	-	-	-
Current loan	-	-	1020	-	-	-
Other financial assets	-	-	398	-	-	-
Total financial assets	-	-	4734	-	-	-
Non-current liabilities						



Prakash Pipes Limited

Notes on Financial Statements

Financial liabilities						
Borrowings	6	-	7	-	-	-
Non-current liabilities	-	-	14	-	-	-
Current liabilities						
Financial liabilities						
Trade payable	-	-	1609	-	-	-
Other financial liabilities	-	-	213	-	-	-
Total financial liabilities	-	-	1843	-	-	-

(b) Fair value hierarchy

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

₹ in lakhs				
Assets and liabilities which are measured at amortized cost for which fair values are disclosed as at 31 st March 2019	Level 1	Level 2	Level 3	Total
Non-Current assets				
Financial assets				
-Other financial assets	-	-	82	82
Current assets				
Financial assets				
Trade receivable	-	-	3163	3163
Cash and cash equivalents	-	-	71	71
Current loan	-	-	1020	1020
Other financial assets	-	-	398	398
Total financial assets	-	-	4734	4734
Non-current liabilities				
Financial liabilities				
Borrowings	-	-	13	13
Non-current liabilities	-	-	14	14
Current liabilities				
Financial liabilities				
Trade payable	-	-	1609	1609
Other financial liabilities	-	-	213	213
Total financial liabilities	-	-	1843	1843

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

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

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



Prakash Pipes Limited

Notes on Financial Statements

42. Maturities of financial liabilities

₹ in lakhs

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

43. Financial risk management and policies

Capital risk management

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

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

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

Capital management

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

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

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

Financial risk management

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

Credit risk

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

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

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



Prakash Pipes Limited

Notes on Financial Statements

Expected credit loss for trade receivables under simplified approach

₹ in lakhs

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

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

(₹ in lakhs)

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

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

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

As per our report of even date attached
For Chaturvedi & Co.

Chartered Accountants

Firm Registration No.302137E



Pankaj Chaturvedi

Partner
M.No.091239

New Delhi

24th April'2019




Ved Prakash Agarwal

Chairman


DIN:00048907


Pawan Kumar
Company Secretary
M. No FCS 7951


For and on behalf of the Board


Vikram Agarwal
Director

DIN:00054125


Dalip Kumar Shrama
CFO