



PPAP Automotive Limited

CIN No. L74899DL1995PLC073281

B-206A, Phase-II, Noida-201305, Uttar Pradesh, India.

Tel.: +91-120-2462552 / 53, Fax : +91-120-2461371

Email : info@ppapco.com; Website : www.ppapco.in

4th September, 2017

The Listing Department
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400001

The Listing Department
The National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E)
Mumbai – 400051

Sub: Disclosure in terms of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

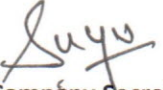
Dear Sir,

Please find attached herewith the Annual Report of the Company for the financial year 2016-17 under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is for your information and record.

Thanking you,

Yours faithfully,
For **PPAP Automotive Limited**


Company Secretary



PPAP Automotive Limited

Annual Report 2016-17



Taking Challenges, Together



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CORPORATE INFORMATION

CIN: L74899DLI995PLC073281

REGISTERED OFFICE

54, Okhla Industrial Estate,
Phase-III, New Delhi-110020
Tel. No.: +91-11-26311671 / 26910777

CORPORATE OFFICE

B-206 A, Sector-8I, Phase-II, Noida-201305
Uttar Pradesh, India
Tel. No.: +91-120-2462552 / 53
Website: www.ppapco.in
E-mail: investorservice@ppapco.com

CHIEF FINANCIAL OFFICER

Mr. Manish Dhariwal

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mrs. Sonia Bhandari

AUDITORS

M/s. O.P. Bagla & Co. (Statutory Auditors)
M/s. Chittora & Co. (Cost Auditors)
M/s. VLA & Associates (Secretarial Auditors)

BANKERS

ICICI Bank Limited
HDFC Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
Axis Bank Limited
State Bank of India
Yes Bank Limited

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited
44, Community Centre,
2nd Floor, Naraina Industrial Area,
Phase-I, New Delhi-110028



BOARD OF DIRECTORS



1. MR. AJAY KUMAR JAIN
(Chairman and Managing Director)
2. MR. ABHISHEK JAIN
(Chief Executive Officer and Managing Director)
3. MR. BHUWAN KUMAR CHATURVEDI
(Independent Director, Chairman of Audit Committee)
4. MR. PRAVIN KUMAR GUPTA
(Independent Director, Chairman of Nomination & Remuneration Committee and Stakeholders' Relationship Committee)
5. MR. ASHOK KUMAR JAIN
(Independent Director, Chairman of Corporate Social Responsibility Committee)
6. MRS. VINAY KUMARI JAIN
(Non-Executive Director)



CHAIRMAN'S MESSAGE



Dear Shareholders,

I am delighted to reach all of you through this Annual Report for the Financial Year 2017 and be able to report to you on the performance of your Company.

This was, yet, another successful year for PPAP as we continued to grow, as well as, strengthen our capabilities. Our strong performance has once again demonstrated our determination to continuously deliver superior value to our shareholders, in the current term and also provide sustainable growth in future, by strengthening our organization for prospering tomorrow, also.

During the last year, the Government made significant progress on important economic reforms leading to strong and sustainable growth in future. The push for local manufacturing along with tax reforms in form of the Goods and Services Tax (GST) will help raise ease of business, improve competitiveness and enhance India's GDP growth to above 8%.

These reforms are positive for our industry as they will enhance our competitiveness which would lead to greater domestic demand. This will also improve our prospects as a

Global hub for small car exports to the Global markets. It is expected that going forward, exports of vehicles from India to the Global markets would rise significantly.

According to Government estimates, India has potential to be the world's top production destination and market for small cars. Our current rank of fifth largest automotive market in the world will change to the third largest passenger vehicle market in the next decade. Our contribution to GDP from the current level of 7% is likely to change to 12% by 2026. The Indian auto industry currently employs over 19 million people.

The key factors for the healthy growth over the last few years have been buoyant markets due to improved consumer sentiment and easy availability of affordable credit.

Our consistent drive to increase customer penetration and the introduction of new products has facilitated our growth. We are continuing on our journey of "Built in Quality" to achieve high standards of product quality, as well as, cost optimization, across all our plants.

In view of the strong traction from customers, we are building new facilities to support their growing requirements. Currently, we are building facilities in Tamil Nadu and Gujarat to become closer to our customer.

Your Company is focused on being a responsible corporate citizen and endeavors to serve the Society through short and long term CSR activities for Environment, Safety, Education and various Community Service projects.

I would like to take this opportunity to thank the entire team of your Company for their meaningful contribution and unstinted commitment. I would also like to extend my sincere gratitude to all our technology partners, customers and associates for their support over the years and look forward to everyone's support in future as well.

I assure all of you, of our sincere commitment to create superior, as well as, sustainable value for all the stakeholders.

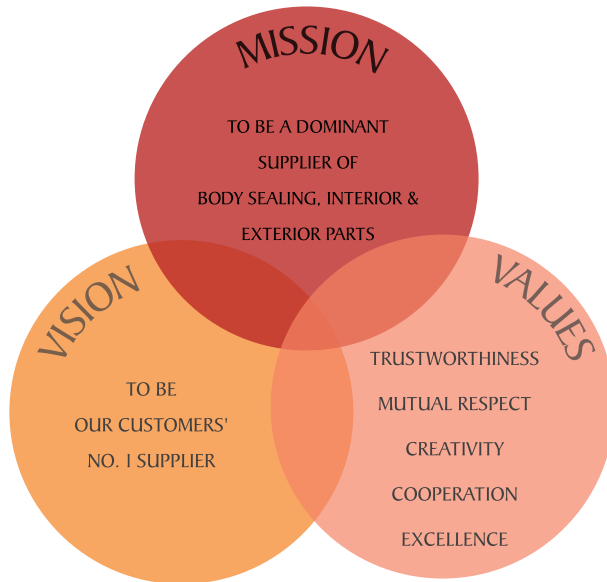
Yours Truly,

A handwritten signature in black ink, appearing to read "Ajay", is placed above the printed name.

Ajay Kumar Jain

Chairman & Managing Director

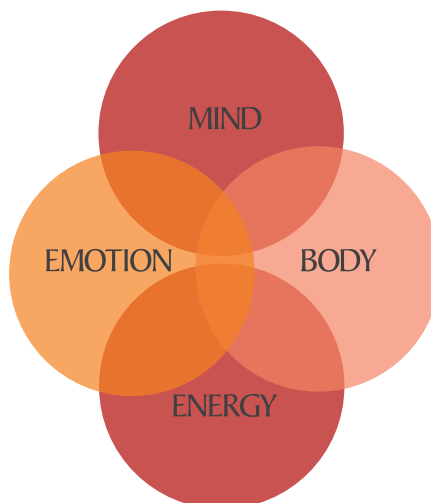
PPAP PHILOSOPHY



Principles

- Take initiative for continuous improvement through change and challenge
- Foster corporate culture that enhances individual creativity and values cooperation and team work
- Passionately satisfy the customer through attractive quality of products and services
- Dedicate yourself to achieve the highest standards in all activities
- Preserve the environment and maintain harmony with society

Foundation on Human Capital Development



DIRECTORS' REPORT

Dear Members,

PPAP Automotive Limited

Your Directors have pleasure in presenting the Twenty Second Annual Report of your Company along with the Audited Standalone and Consolidated Financial Statements and the Auditors' Report thereon for the year ended 31st March, 2017.

Financial Highlights and State of Company's Affairs

(₹ in crores)

Particulars	For the year ended			
	Standalone		Consolidated	
	31 st March, 2017	31 st March, 2016	31 st March, 2017	31 st March, 2016
Total Revenue	344.74	304.06	368.20	319.72
Earnings before interest, tax, depreciation and amortization expense (EBITDA)	66.51	53.37	70.98	54.06
Less: interest	5.78	7.84	5.78	7.87
Depreciation & amortization	24.39	22.76	26.41	24.67
Profit / (loss) before extra-ordinary items and tax	36.35	22.77	38.80	21.52
Less: extraordinary items	-	-	-	-
Profit / (loss) before tax (PBT)	36.35	22.77	38.80	21.52
Less: Tax expenses				
current tax	11.75	5.33	11.90	5.33
deferred tax	0.69	2.17	0.69	2.17
Profit / (loss) for the period	23.91	15.27	26.21	14.02

• Standalone financial statements

Your Company's standalone total revenue during the year was ₹ 344.74 crores, as compared to ₹ 304.06 crores in the previous year, an increase of 13.38% over the previous year. Your Company achieved standalone operating profit before finance costs, depreciation and tax of ₹ 66.51 crores as against ₹ 53.37 crores during the previous year, higher by 24.62%. The standalone net profit after tax for the year under review was ₹ 23.91 crores, as against ₹ 15.27 crores in the previous year, a growth of 56.58%.

• Consolidated financial statements

Your Company's consolidated total revenue during the year was ₹ 368.20 crores, as compared to ₹ 319.72 crores in the previous year, an increase of 15.16% over the previous year. Your Company achieved consolidated operating profit before finance costs, depreciation and tax of ₹ 70.98 crores as against ₹ 54.06 crores during the previous year, higher by 31.30%. The consolidated net profit after tax for the year under review was ₹ 26.21 crores, as against ₹ 14.02 crores in the previous year, a growth of 86.95%.

Dividend

During the financial year 2016-17, your Company declared and paid an interim dividend of ₹ 1.25 (i.e. 12.50%) per equity share of face value of ₹ 10/- each in the month of November, 2016.

Based on the Company's performance, your Directors' are pleased to recommend a final dividend of ₹ 1.75 (i.e. 17.50%) per equity share of ₹ 10/- each fully paid up for the financial year 2016-17 amounting to

Directors' Report

₹ 24,500,000 (excluding tax), subject to the approval of shareholders at the ensuing Annual General Meeting ("AGM") of the Company.

Deposits

During the year under review, your Company has not invited or accepted any deposits from the public, pursuant to the provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014.

Technical Collaboration

The Company has technical collaborations with Tokai Kogyo Co. Limited, Japan, Nissen Chemitec Corporation, Japan and Tokai Kogyo Seiki Co. Limited, Japan and the Company is receiving the requisite support, as per the needs of the business.

Tokai Kogyo Co. Limited, Japan, Nissen Chemitec Corporation, Japan and Tokai Kogyo Seiki Co. Limited, Japan, extend their continuous support in terms of new product development, innovations, latest technology, etc. as per the needs of your Company.

Extract of Annual Return

The extract of the Annual Return of the Company in the prescribed Form MGT-9 under the provisions of Section 92 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, annexed as "Annexure - A" to this report.

Meetings of the Board of Directors

During the year under review, five Board meetings were convened and held. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of all Board / Committee meetings held are given in the Corporate Governance Report.

Audit Committee

The Audit Committee's purpose is to oversee the quality and integrity of accounting, auditing and financial reporting process including reviewing of the Company's statutory and internal audit reports. The Audit Committee also gives recommendations for enhancement in scope and coverage of internal audit for specific areas, wherever it is felt necessary. The Audit Committee is provided with all the necessary assistance and information to carry out its function effectively. All the members of the Audit Committee have the requisite financial, legal and management expertise.

The details of composition of the Audit Committee, its terms of reference and meetings held during the year under review, are given in the Corporate Governance Report.

The Corporate Governance Report have been detailed in a separate section and is attached separately to this to this annual report.

Directors and Key Managerial Personnel

During the year under review, the Board of Directors on the recommendation of the Nomination and Remuneration Committee has elevated the position of Mr. Abhishek Jain, Whole Time Director to the Chief Executive Officer and Managing Director of the Company at the their meeting held on 17th March, 2017, for a period of five years commencing from 1st April, 2017 to 31st March, 2022, subject to the approval of shareholders at the ensuing Annual General Meeting.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Abhishek Jain (DIN: 00137651), retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. Mr. Abhishek Jain has given his declaration in terms of Section 164(2) of the Companies Act, 2013 to the effect that he is not disqualified from being reappointed as a Director of the Company.

Brief resume of Director seeking appointment and reappointment along with other details as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is given in the Corporate Governance Report.

Directors' Report

Statement on declaration given by Independent Directors

The Independent Non-Executive Directors of the Company have submitted their declarations of Independence, as required under Section 149(6) of the Companies Act, 2013 read with Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 stating that they meet the criteria of Independence as provided therein and such declarations were taken on record by the Board in its first meeting held during the financial year 2017-18.

Credit Rating

The credit rating agency CRISIL, has assigned the following rating to your Company for the Bank loan facilities:

Long term Bank loan facilities	CRISIL A / Positive (Reaffirmed)
Short term Bank loan facilities	CRISIL A1 (Reaffirmed)

Directors' Responsibility Statement

In terms of and pursuant to Section 134 of the Companies Act, 2013, as amended from time to time, in relation to the financial statements for the year ended 31st March 2017, to the best of their knowledge and belief your Directors confirm the following:

- that in the preparation of financial statements for the financial year ended 31st March, 2017, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the profit and loss of the Company for the financial year ended 31st March, 2017;
- that the proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the financial statements for the financial year ended 31st March, 2017 have been prepared on a 'going concern basis';
- that the internal financial controls are adequate and are operating effectively; and
- that proper systems to ensure compliance with the provisions of all applicable laws are adequate and operating effectively.

Evaluation of the Board's performance / effectiveness

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has evaluated the performance of each Director, the Board as a whole, its Committees and the Chairperson.

Performance of the Board was evaluated by each Director on the parameters such as its roles and responsibilities, contribution to the development of strategy and effective risk management, understanding of operational programmes, availability of quality information in a timely manner etc. Independent directors also carried out evaluation of the Board performance.

Board Committees were evaluated by the respective committee members on the parameters such as role and responsibilities, effectiveness of the Committee vis-à-vis assigned role, appropriateness of committee composition, timely receipt of information by the Committee, knowledge updation by the committee members etc.

Nomination and Remuneration Policy

In accordance with the provisions of Section 178 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors formulated the Nomination and Remuneration Policy on the recommendation of Nomination and Remuneration Committee of the Company.

Directors' Report

In accordance with the Nomination and Remuneration Policy, the Nomination and Remuneration Committee has, *inter alia*, the following responsibilities:

1. Ensure appropriate induction & training program: The Committee shall ensure that there is an appropriate induction & training program in place for new Directors, KMPs and members of Senior Management and review its effectiveness.
2. Formulating the criteria for appointment as a Director: The Committee shall formulate criteria and review them on an ongoing basis, for determining qualifications, skills, experience, expertise, qualities, positive attributes required to be a Director of the Company.
3. Identify persons who are qualified to be Directors / Independent Directors / KMPs / SMPs: The Committee shall identify persons, who are qualified to become Directors / Independent Directors / KMPs / SMPs and who satisfy the criteria laid down under the provisions of the Companies Act, 2013, Rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other enactment, for the time being in force.
4. Nominate candidates for Directorships subject to the approval of Board: The Committee shall recommend to the Board the appointment of potential candidates as Non-Executive Director or Independent Director or Executive Director, as the case may be.
5. Evaluate the performance of the Board: The Committee shall determine a process for evaluating the performance of every Director, Committees of the Board, the Board as a whole and the Chairman, on an annual basis.
6. Remuneration of Managing Director / Directors: The Committee shall ensure that the tenure of Executive Directors and their compensation packages are in accordance with applicable laws, in line with the Company's objectives, shareholders' interests and comparable with industry standards.
7. Review performance and compensation of Non-Executive Independent Directors: The Committee shall review the performance of Non-Executive Independent Directors of the Company. The Committee shall ensure that the Non-Executive Independent Directors may receive remuneration by way of sitting fees for attending the meetings of Board or Committee(s), thereof provided that the amount of such fees shall be subject to ceiling / limits as provided under the Companies Act, 2013 and Rules made thereunder or any other enactment, for the time being in force.
8. Review performance and compensation of KMPs / SMPs etc.: The Committee shall ensure that the remuneration to be paid to KMPs / SMPs shall be based on the experience, qualifications and expertise of the personnel and governed by the limits, if any, prescribed under the Companies Act, 2013 and Rules made thereunder or any other enactment, for the time being in force.
9. Directors' and Officers' Insurance: The Committee shall ensure that where any insurance is taken by the Company on behalf of its Directors, KMPs / SMPs either for indemnifying them against any liability or any other matter as may be deemed fit, the premium paid on such insurance, shall not be treated as part of the remuneration payable, to any such personnel.

Disclosure relating to remuneration of Directors, Key Managerial Personnel and particulars of employees

Statement pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and (2) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, annexed as "Annexure - B" to this report.

Names of Companies which have ceased / become subsidiaries / joint ventures / associate companies during the year

During the year under review, none of the Company have become / ceased to be the joint ventures, subsidiaries and associates of your Company.

A report on the performance and financial position of the joint venture and associates companies as per the provisions of the Companies Act, 2013 is provided in the prescribed Form AOC-1, annexed as "Annexure - C" to this report.

Directors' Report

Corporate Governance Report

Your Company always places major thrust on managing its affairs with diligence, transparency, professionalism, compliance, responsibility and accountability thereby upholding the important dictum that an organisation's corporate governance philosophy is directly linked to high performance.

The compliance report on Corporate Governance and a certificate from the Practising Company Secretaries, conformity the compliance of the conditions of corporate governance, as stipulated under Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, annexed to this annual report.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report for the year under review, have been detailed in a separate section and is attached separately to this annual report in terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Material changes and commitments affecting financial position between end of the financial year and date of report

No material changes and commitments affecting the financial position of your Company have occurred between the end of the financial year of the Company to which the financial statements relate and on the date of this report.

Particulars of Loans, Guarantees and Investments

The particulars of investments made and securities / guarantees given by the Company are furnished in note no. 11 of the standalone financial statements of the Company. There are no loans given and guarantees issued by your Company in accordance with Section 186 of the Companies Act, 2013 read with the Rules made thereunder.

Related Party Transactions

All contracts / arrangements / transactions entered by the Company during the financial year 2016-17 with related parties were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. During the year, the Company has not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. Hence, the disclosure in Form AOC-2 is not applicable.

Details of the transactions with related parties are provided in the accompanying financial statements. The policy on related party transactions as approved by the Board is uploaded on the Company's website.

Auditors

• Statutory Auditors

At the 19th Annual General Meeting of the Company held on 27th September, 2014, M/s. O. P. Bagla & Co., Chartered Accountants, New Delhi, (Firm Registration No. 000018N) were appointed as the statutory auditors of the Company to hold office for a period of four years, till the conclusion of the 23rd Annual General Meeting to be held in the year 2018.

In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the statutory auditors shall be placed for ratification before the shareholders at every Annual General Meeting. Accordingly, the appointment of M/s. O. P. Bagla & Co., Chartered Accountants, as statutory auditors of the Company, shall be placed for ratification by the shareholders. In this regard, the Company has received an eligibility certificate from the statutory auditors to the effect that the ratification of their appointment, would be in accordance with Sections 139 and 141 of the Companies Act, 2013.

Statutory Auditors' Report

The Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

Directors' Report

• Secretarial Auditors

The Board of Directors has appointed Mr. Vishal Lochan Agarwal, Practicing Company Secretary, proprietor of M/s. VLA & Associates, as the secretarial auditor of the Company. The secretarial audit was carried out in compliance with Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Report of secretarial audit in the prescribed Form MR-3, annexed as "Annexure - D" to this report.

Secretarial Auditors' Report

The report of secretarial auditor forming part of this report and do not contain any qualification, reservation or adverse remarks.

• Cost Auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost records of the Company is required to be audited. Your Directors, on recommendation of the Audit Committee, appointed M/s. Rakesh Singh & Co., Cost Accountants, (Firm Registration No. 000247) as the cost auditors to audit the cost records of the Company for the financial year 2017-18 at a remuneration of ₹ 160,000 (plus out of pocket expenses and taxes), as required under the Companies Act, 2013. The remuneration payable to the cost auditors is required to be ratified by the shareholders at the ensuing Annual General Meeting.

Accordingly, the remuneration payable to M/s. Rakesh Singh & Co., Cost Accountants, (Firm Registration No. 000247), cost auditors shall be placed for ratification before the shareholders at the ensuing Annual General Meeting.

The Company had filed the Cost Audit Report for financial year 2015-16 on 9th September, 2016, in compliance under the Companies (Cost Records and Audit) Amendments Rules, 2014.

Corporate Social Responsibility

In compliance with requirements of Section 135 of the Companies Act, 2013, your Company has constituted a Corporate Social Responsibility (CSR) Committee. The CSR Committee comprises of one Independent Director, one Non-Executive Director and one Managing Director.

CSR Report, pursuant to Section 134(3)(o) of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014, annexed as "Annexure - E" to this report.

Risk Management Policy

Risk Management is a holistic, integrated, structured and disciplined approach to manage risks. It involves identifying potential events that may affect the Company and formulating strategy to manage these events while ensuring that the risk exposure remains at the defined appropriate levels. There are no risks identified by the management which may threaten the existence of the Company.

The Board of Directors of the Company is responsible for the direction and establishment of internal controls to mitigate material business risks. The Company has formulated and adopted a Risk Management Policy to identify the elements of risk for achieving its business objectives and to provide reasonable assurance that all the material risks will be mitigated.

Company has identified various strategic, operational and financial risks which may impact Company adversely; however, management believes that the mitigation plans for identified risks are in place and may not threaten the existence of the Company.

Policy on sexual harassment of women at workplace

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention of sexual harassment in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder.

There was no complaint on sexual harassment during the year under review.

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

Directors' Report

No significant and material orders have been passed during the year under review by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Details on internal financial controls related to financial statements

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.

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 standalone and consolidated financial statements in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone and consolidated 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
- c) 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 standalone and consolidated financial statements.

Whistle Blower Policy

The Company has implemented a whistle blower policy to provide a mechanism for employees / Board members and others to raise good faith concerns about violation of any applicable law / code of conduct of the Company, gross wastage or misappropriation of funds, substantial or specific danger to public health and safety, abuse of authority or unethical behavior and to protect the individuals who take such actions from retaliation or any threat of retaliation and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases. The functioning of the vigil mechanism is reviewed by the Audit Committee from time to time.

Conservation of energy, technology absorption, foreign exchange earnings and outgo

During the year under review, your Company has initiated the process of getting recognition from The Department of Scientific and Industrial Research (DSIR), Ministry of Science and Technology for its "In house research and development centre". The Company has spent ₹ 1.11 crores and ₹ 6.73 crores towards capital expenditure and revenue expenditure respectively for research and development activities.

The information required in terms of Section 134 of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, pertaining to the conservation of energy, technology absorption and foreign exchange earnings and outgo and forming part of this Report, is annexed herewith as "Annexure - F" to this report.

Appreciation

Your Directors place on record their gratitude to the Central Government, State Governments and all other Government agencies for the assistance, co-operation and encouragement they have extended to the Company.

Your Directors also take this opportunity to extend a special thanks to our technical collaborators viz. Tokai Kogyo Co. Limited, Japan, Nissen Chemitec Corporation, Japan and Tokai Kogyo Seiki Co. Limited, Japan, for their continued support and confidence in the Company.

Your Directors also greatly appreciate the commitment and dedication of all the employees at all levels, that has contributed to the growth and success of the Company. Your Directors also thank all the business associates, banks, financial institutions and our shareholders for their assistance, co-operation and encouragement to the Company during the year.

For and on behalf of the Board of Directors

Place: Noida
Date : 23rd May, 2017

Ajay Kumar Jain
Chairman & Managing Director
DIN: 00148839

Abhishek Jain
CEO & Managing Director
DIN: 00137651

Annexure-A to the Directors' Report

Form No. MGT-9

Extract of Annual Return as on 31st March, 2017

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

I. REGISTRATION AND OTHER DETAILS

- i) CIN : L74899DL1995PLC073281
- ii) Registration Date : 18/10/1995
- iii) Name of the Company : PPAP Automotive Limited
- iv) Category / Sub-Category of the Company : Company limited by Shares / Indian non-Government Company
- v) Address of the Registered Office and Contact details : 54, Okhla Industrial Estate, Phase-III, New Delhi-110020
- vi) Whether listed Company (Yes / No) : Yes
- vii) Name, Address and Contact details of Registrar and Share Transfer Agent, if any : Link Intime India Private Limited
44, Community Centre, 2nd Floor,
Naraina Industrial Estate,
Phase-I, Delhi-110028
Email: delhi@linkintime.co.in
Tel: +91-11-414140592 / 93 / 94

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of Main Product/ Services	NIC Code of the Product	% to total turnover of the Company
1	Manufacturing of Automotive Parts	29302	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN / GIN	Holding / Subsidiary of the Company	% of shares held	Applicable Section
1	PPAP Tokai India Rubber Private Limited	U25112DL2012PTC235036	Associate	50	2(6)
2	PPAP Automotive Chennai Private Limited	U34300DL2014PTC273103	Associate	40	2(6)
3	PPAP Automotive Technology Private Limited	U34100DL2015PTC274891	Associate	40	2(6)
4	PPAP Automotive Systems Private Limited	U34100DL2015PTC279614	Associate	40	2(6)

Annexure-A to the Directors' Report

IV. SHARE HOLDING PATTERN (Equity Share Capital breakup as percentage of Total Equity)

i) Category wise shareholding

S. No.	Category of Shareholders	Shareholding at the beginning of the year (as on 01.04.2016)				Shareholding at the end of the year (as on 31.03.2017)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	Shareholding of Promoter and Promoter Group									
1	Indian									
a	Individuals / Hindu Undivided Family	6,043,068	-	6,043,068	43.165	5,575,217	-	5,575,217	39.823	(3.342)
b	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
c	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
d	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Bodies Corporate	2,812,591	-	2,812,591	20.090	3,321,907	-	3,321,907	23.728	3.638
Sub Total (A)(1)		8,855,659	-	8,855,659	63.255	8,897,124	-	8,897,124	63.551	0.296
2	Foreign									
a	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	-
b	Government	-	-	-	-	-	-	-	-	-
c	Institutions	-	-	-	-	-	-	-	-	-
d	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
e	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Sub Total (A)(2)	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	8,855,659	-	8,855,659	63.255	8,897,124	-	8,897,124	63.551	0.296
B	Public Shareholding									
1	Institutions									
a	Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
b	Venture Capital Funds	-	-	-	-	-	-	-	-	-
c	Alternate Investment Funds	-	-	-	-	-	-	-	-	-

Annexure-A to the Directors' Report

S. No.	Category of Shareholders	Shareholding at the beginning of the year (as on 01.04.2016)				Shareholding at the end of the year (as on 31.03.2017)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
e	Foreign Portfolio Investor	159,914	-	159,914	1.142	159,914	-	159,914	1.142	-
f	Financial Institutions / Banks	-	-	-	-	9,866	-	9,866	0.070	0.070
g	Insurance Companies	-	-	-	-	-	-	-	-	-
h	Provident Funds / Pension Funds	-	-	-	-	-	-	-	-	-
i	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Sub Total (B)(1)	159,914	-	159,914	1.142	169,780	-	169,780	1.212	(0.070)
2	Central Government/ State Government(s) / President of India									
	Sub Total (B)(2)	-	-	-	-	-	-	-	-	-
3	Non-Institutions									
a	Individuals									
i	Individual shareholders holding nominal share capital upto ₹ 1 lakh.	1,894,614	146	1,894,760	13.534	2,017,480	146	2,017,626	14.412	0.878
ii	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,358,986	-	1,358,986	9.707	1,111,686	-	1,111,686	7.941	(1.766)
b	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
c	Employee Trusts	-	-	-	-	-	-	-	-	-
d	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
e	Any Other (Specify)									
	Hindu Undivided Family	91,823	-	91,823	0.656	170,983	-	170,983	1.221	0.565
	Foreign Companies	-	225,000	225,000	1.607	-	225,000	225,000	1.607	-
	Non Resident Indians (Non Repat)	4,273	-	4,273	0.031	10,389	-	10,389	0.074	0.043
	Non Resident Indians (Repat)	59,524	-	59,524	0.425	40,248	-	40,248	0.287	(0.138)

Annexure-A to the Directors' Report

S. No.	Category of Shareholders	Shareholding at the beginning of the year (as on 01.04.2016)				Shareholding at the end of the year (as on 31.03.2017)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	Clearing Member	50,726	-	50,726	0.362	108,498	-	108,498	0.776	0.414
	Bodies Corporate	1,299,335	-	1,299,335	9.281	1,248,666	-	1,248,666	8.919	(0.362)
	Sub Total (B)(3)	4,759,281	225,146	4,984,427	35.603	4,707,950	225,146	4,933,096	35.237	(0.366)
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	4,919,195	225,146	5,144,341	36.745	4,877,730	225,146	5,102,876	36.449	(0.296)
	Total (A)+(B)	13,774,854	225,146	14,000,000	100.00	13,774,854	225,146	14,000,000	100.00	-
C Non Promoter - Non Public										
1	Custodian / DR Holder	-	-	-	-	-	-	-	-	-
2	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-
	Total (A)+(B)+(C)	13,774,854	225,146	14,000,000	100.00	13,774,854	225,146	14,000,000	100.00	-

ii) Shareholding of Promoters (including promoter group)

S. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change during the year
		No. of shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Ajay Kumar Jain	4,007,680	28.627	-	3,935,680	28.112	-	(0.514)
2	Vinay Kumari Jain	931,890	6.656	-	533,890	3.814	-	(2.842)
3	Abhishek Jain	1,002,404	7.160	-	1,002,404	7.160	-	-
4	Ajay Kumar Jain HUF	90,123	0.644	-	90,123	0.644	-	-
5	Rashi Jain	10,971	0.078	-	13,120	0.094	-	0.016
6	Kalindi Farms Private Limited	1,807,591	12.911	-	1,834,757	13.105	-	0.194
7	Sri Lehra Jewellers Private Limited	520,000	3.714	-	526,000	3.757	-	-
8	Prism Suppliers Private Limited	185,000	1.322	-	186,600	1.333	-	0.012
9	Ratnakar Dealtrade Private Limited	140,000	1.000	-	141,100	1.008	-	0.008

Annexure-A to the Directors' Report

S. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change during the year
		No. of shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
10	Smart Commotrade Private Limited	160,000	1.143	-	161,350	1.153	-	0.010
11	Advance Commotrade Private Limited	-	-	-	212,100	1.515	-	1.515
12	Littlestar Tradelinks Private Limited	-	-	-	188,000	1.342	-	1.343
13	Nikunj Foods Private Limited	-	-	-	72,000	0.514	-	0.514
14	*Abhishek Jain HUF	-	-	-	-	-	-	-
15	*Ajay Kumar Jain Holdings Private Limited	-	-	-	-	-	-	-
16	*Arhaan Holdings Private Limited	-	-	-	-	-	-	-
17	*Ginius Vintrade Private Limited	-	-	-	-	-	-	-
18	*Icon Vanijya Private Limited	-	-	-	-	-	-	-
19	*Elpis Infrastructure Corporation Private Limited	-	-	-	-	-	-	-
20	*Arhaan Ventures Private Limited	-	-	-	-	-	-	-

Note:

*Currently these entities do not hold any share in the Company however they form part of the promoter group of the Company.

iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Shareholders' Name	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Ajay Kumar Jain					
	at the beginning of the year		4,007,680	28.626	4,007,680	28.627
	09-02-17	Transfer	(72,000)	(0.514)	3,935,680	28.112
	at the end of the year				3,935,680	28.112
2	Vinay Kumari Jain					
	at the beginning of the year		931,890	6.656	931,890	6.656
	23-08-16	Transfer	(210,000)	(1.500)	721,890	5.156
	04-11-16	Transfer	(188,000)	(1.342)	533,890	3.814
	at the end of the year				533,890	3.814

Annexure-A to the Directors' Report

S. No.	Shareholders' Name	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3	Rashi Jain					
	at the beginning of the year		10,971	0.078	10,971	0.078
	24-05-16	Transfer	50	0.000	11,021	0.079
	25-05-16	Transfer	200	0.001	11,221	0.080
	26-05-16	Transfer	72	0.001	11,293	0.081
	27-05-16	Transfer	200	0.001	11,493	0.082
	30-05-16	Transfer	145	0.001	11,638	0.083
	31-05-16	Transfer	182	0.001	11,820	0.084
	01-06-16	Transfer	500	0.004	12,320	0.088
	02-06-16	Transfer	100	0.001	12,420	0.089
	03-06-16	Transfer	100	0.001	12,520	0.089
	06-06-16	Transfer	100	0.001	12,620	0.090
	07-06-16	Transfer	100	0.001	12,720	0.091
	08-06-16	Transfer	100	0.001	12,820	0.092
	09-06-16	Transfer	150	0.001	12,970	0.093
	14-06-16	Transfer	150	0.001	13,120	0.094
	at the end of the year				13,120	0.094
	4	Kalindi Farms Private Limited				
at the beginning of the year			1,807,591	12.911	1,807,591	12.911
04-04-16		Transfer	396	0.003	1,807,987	12.914
05-04-16		Transfer	200	0.001	1,808,187	12.916
06-04-16		Transfer	500	0.004	1,808,687	12.919
07-04-16		Transfer	1,000	0.007	1,809,687	12.926
08-04-16		Transfer	100	0.001	1,809,787	12.927
11-04-16		Transfer	300	0.002	1,810,087	12.929
12-04-16		Transfer	205	0.001	1,810,292	12.931
13-04-16		Transfer	300	0.002	1,810,592	12.933
20-04-16		Transfer	300	0.002	1,810,892	12.935
21-04-16		Transfer	115	0.001	1,811,007	12.936
22-04-16		Transfer	100	0.001	1,811,107	12.936
25-04-16		Transfer	200	0.001	1,811,307	12.938
28-04-16		Transfer	300	0.002	1,811,607	12.940
29-09-16		Transfer	23,150	0.165	1,834,757	13.105
at the end of the year					1,834,757	13.105

Annexure-A to the Directors' Report

S. No.	Shareholders' Name	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
5	Sri Lehra Jewellers Private Limited					
	at the beginning of the year		520,000	3.714	520,000	3.714
	11-01-17	Transfer	4,000	0.029	524,000	3.743
	27-02-17	Transfer	2,000	0.014	526,000	3.757
	at the end of the year				526,000	3.757
6	Prism Suppliers Private Limited					
	at the beginning of the year		185,000	1.322	185,000	1.322
	20-02-17	Transfer	1,600	0.011	186,600	1.333
	at the end of the year				186,600	1.333
7	Ratnakar Dealtrade Private Limited					
	at the beginning of the year		140,000	1.000	140,000	1.000
	21-02-17	Transfer	1,100	0.008	141,100	1.008
	at the end of the year				141,100	1.008
8	Smart Commotrade Private Limited					
	at the beginning of the year		160,000	1.143	160,000	1.143
	22-02-17	Transfer	1,350	0.010	161,350	1.153
	at the end of the year				161,350	1.153
9	Advance Commotrade Private Limited					
	at the beginning of the year		-	-	-	-
	23-08-16	Transfer	210,000	1.500	210,000	1.500
	10-01-17	Transfer	100	0.001	210,100	1.501
	11-01-17	Transfer	200	0.002	210,300	1.502
	12-01-17	Transfer	400	0.004	210,700	1.505
	13-01-17	Transfer	100	0.001	210,800	1.506
	17-02-17	Transfer	1,300	0.009	212,100	1.515
	at the end of the year				212,100	1.515
10	Littlestar Tradelinks Private Limited					
	at the beginning of the year		-	-	-	-
	04-11-16	Transfer	188,000	1.343	188,000	1.343
	at the end of the year				188,000	1.343
11	Nikunj Foods Private Limited					
	at the beginning of the year		-	-	-	-
	09-02-17	Transfer	72,000	0.514	72,000	0.514
	at the end of the year				72,000	0.514

Annexure-A to the Directors' Report

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	Shareholders' Name	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Unatgagan Commodities Private Limited					
	at the beginning of the year		499,500	3.568	499,500	3.568
	27-05-16	Transfer	2,830	0.020	502,330	3.588
	31-03-17	Transfer	2,350	0.017	504,680	3.605
	at the end of the year				504,680	3.605
2	Anil Kumar Goel					
	at the beginning of the year		365,000	2.607	365,000	2.607
	03-06-16	Transfer	(1,000)	(0.007)	364,000	2.600
	19-08-16	Transfer	(82,000)	(0.586)	282,000	2.014
	26-08-16	Transfer	(57,000)	(0.407)	225,000	1.607
	02-09-16	Transfer	(29,000)	(0.207)	196,000	1.400
	09-09-16	Transfer	(26,000)	(0.186)	170,000	1.214
	16-09-16	Transfer	(1,000)	(0.007)	169,000	1.207
	23-09-16	Transfer	(37,111)	(0.265)	131,889	0.942
	30-09-16	Transfer	(9,743)	(0.070)	122,146	0.872
	07-10-16	Transfer	(17,146)	(0.122)	105,000	0.750
	28-10-16	Transfer	(5,000)	(0.036)	100,000	0.714
	04-11-16	Transfer	(12,000)	(0.086)	88,000	0.629
	24-02-17	Transfer	(26,000)	(0.186)	62,000	0.443
	03-03-17	Transfer	(1,143)	(0.008)	60,857	0.435
	24-03-17	Transfer	(10,857)	(0.078)	50,000	0.357
	at the end of the year				50,000	0.357
	3	I.M. Infrastructure and Hospitality Private Limited				
at the beginning of the year			232,401	1.660	232,401	1.660
27-05-16		Transfer	2,100	0.015	234,501	1.675
at the end of the year					234,501	1.675
4	Tokai Kogyo Co. Limited					
	at the beginning of the year		225,000	1.607	225,000	1.607
	at the end of the year		-	-	225,000	1.607
5	Rajan Rakheja					
	at the beginning of the year		220,000	1.571	220,000	1.571
	at the end of the year				220,000	1.571

Annexure-A to the Directors' Report

S. No.	Shareholders' Name	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
6	Seema Goel					
	at the beginning of the year		180,000	1.286	180,000	1.286
	20-05-16	Transfer	(13,020)	(0.093)	166,980	1.193
	27-05-16	Transfer	(6,780)	(0.048)	160,200	1.144
	03-06-16	Transfer	(1,200)	(0.009)	159,000	1.136
	10-06-16	Transfer	(5,205)	(0.037)	153,795	1.099
	17-06-16	Transfer	(9,295)	(0.066)	144,500	1.032
	24-06-16	Transfer	(6,700)	(0.048)	137,800	0.984
	30-06-16	Transfer	(6,700)	(0.048)	131,100	0.936
	01-07-16	Transfer	(2,600)	(0.066)	128,500	0.918
	08-07-16	Transfer	(7,459)	(0.053)	121,041	0.865
	15-07-16	Transfer	(5,181)	(0.037)	115,860	0.828
	22-07-16	Transfer	(7,495)	(0.054)	108,365	0.774
	29-07-16	Transfer	(32,584)	(0.233)	75,781	0.541
	05-08-16	Transfer	(16,981)	(0.121)	58,800	0.420
	12-08-16	Transfer	(43,300)	(0.309)	15,500	0.111
	19-08-16	Transfer	(15,500)	(0.111)	-	-
	at the end of the year				-	-
7	Dolly Khanna					
	at the beginning of the year		123,653	0.883	123,653	0.883
	01-04-16	Transfer	8,485	0.061	132,138	0.944
	08-04-16	Transfer	5,874	0.042	138,012	0.986
	22-04-16	Transfer	8,600	0.061	146,612	1.047
	06-05-16	Transfer	1,350	0.010	147,962	1.057
	27-05-16	Transfer	1,300	0.009	149,262	1.066
	12-08-16	Transfer	(1,500)	(0.011)	147,762	1.055
	02-09-16	Transfer	2,500	0.018	150,262	1.073
	09-09-16	Transfer	3,100	0.022	153,362	1.095
	at the end of the year				153,362	1.095
8	Grovsnor Investment Fund Limited					
	at the beginning of the year		111,030	0.793	111,030	0.793
	at the end of the year				111,030	0.793

Annexure-A to the Directors' Report

S. No.	Shareholders' Name	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
9	Sabitha Chandran					
	at the beginning of the year		72,000	0.514	72,000	0.514
	at the end of the year				72,000	0.514
10	Radhe Govind Commercials Private Limited					
	at the beginning of the year		59,183	0.423	59,183	0.423
	at the end of the year				59,183	0.423
11	Rajasthan Global Securities Private Limited					
	at the beginning of the year		57,285	0.409	57,285	0.409
	19-08-16	Transfer	(9,410)	(0.067)	47,875	0.342
	09-09-16	Transfer	(380)	(0.003)	47,495	0.339
	16-09-16	Transfer	(31,766)	(0.227)	15,279	0.112
	23-09-16	Transfer	16,324	0.117	32,053	0.229
	30-09-16	Transfer	(8,660)	(0.062)	23,393	0.167
	07-10-16	Transfer	(1,048)	(0.007)	22,345	0.160
	14-10-16	Transfer	(11,332)	(0.081)	11,013	0.79
	21-10-16	Transfer	(1,135)	(0.008)	9,878	0.071
	11-11-16	Transfer	(9,878)	(0.071)	-	-
	at the end of the year				-	-
12	Nitin Kapil Tandon					
	at the beginning of the year		32,100	0.229	32,100	0.229
	27-05-16	Transfer	6,900	0.049	39,000	0.279
	05-08-16	Transfer	13,500	0.375	52,500	0.375
	30-09-16	Transfer	10,800	0.077	63,300	0.452
	at the end of the year				63,300	0.452
13	Inter Globe Finance Limited					
	at the beginning of the year		48,974	0.350	48,974	0.350
	22-04-16	Transfer	(126)	(0.001)	48,848	0.349
	16-09-16	Transfer	9,466	0.068	58,314	0.417
	23-09-16	Transfer	(122)	0.001	58,192	0.416
	07-10-16	Transfer	(44,573)	(0.318)	13,619	0.097
	04-11-16	Transfer	(776)	(0.006)	12,843	0.092
	11-11-16	Transfer	(1,000)	(0.007)	11,843	0.085
	06-01-17	Transfer	(279)	(0.002)	11,564	0.083
	03-02-17	Transfer	(11,564)	(0.083)	-	-
at the end of the year				-	-	

Annexure-A to the Directors' Report

S. No.	Shareholders' Name	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
14	Trustline Holdings Private Limited					
	at the beginning of the year		34,597	0.247	34,597	0.247
	08-04-16	Transfer	1,057	0.008	35,654	0.255
	15-04-16	Transfer	(1,057)	(0.008)	34,597	0.247
	23-09-16	Transfer	491	0.004	35,088	0.251
	30-09-16	Transfer	(491)	(0.004)	34,597	0.247
	07-10-16	Transfer	39,519	0.282	74,116	0.529
	14-10-16	Transfer	(38,669)	(0.276)	35,447	0.253
	21-10-16	Transfer	(320)	(0.002)	35,127	0.251
	28-10-16	Transfer	(10,530)	(0.075)	24,597	0.176
	03-02-17	Transfer	38,257	0.273	62,854	0.449
	10-02-17	Transfer	(50,257)	(0.359)	12,597	0.090
	10-03-17	Transfer	(12,597)	(0.090)	-	-
	at the end of the year				-	-
15	Satish Bansal					
	at the beginning of the year		-	-	-	-
	30-09-16	Transfer	35,236	0.252	35,236	0.252
	25-11-16	Transfer	7,809	(0.059)	43,045	0.307
	31-12-16	Transfer	34,000	0.243	77,045	0.550
	17-02-17	Transfer	140	0.001	77,185	0.551
	24-02-17	Transfer	472	0.003	77,657	0.554
	24-03-17	Transfer	(194)	0.001	77,463	0.553
	at the end of the year				77,463	0.553

Date of transfer has been considered as the date on which the beneficiary position was provided by the depositories to the Company.

Annexure-A to the Directors' Report

v) Shareholding of Directors and Key Managerial Personnel:

S. No.	For each of the Directors of the Company and KMP	Shareholding at the beginning of the year		Date	Increase / (Decrease)	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning	% of total shares of the Company				No. of shares at the beginning	% of total shares of the Company
	Directors							
1	Mr. Ajay Kumar Jain, Chairman & Managing Director	*4,097,803	29.271	09.02.17	(72,000)	Transfer	*4,025,803	28.756
2	Mrs. Vinay Kumari Jain, Non-Executive Director	931,890	6.656	23.8.16	(210,000)	Transfer	721,890	5.156
				4.11.16	(188,000)	Transfer	533,890	3.814
3	Mr. Abhishek Jain, Whole Time Director	1,002,404	7.160	-	-	-	1,002,404	7.160
	Other KMPs							
1	Mr. Manish Dhariwal, Chief Financial Officer	108	0.001	-	-	-	108	0.001
2	Mrs. Sonia Bhandari, Company Secretary	-	-	-	-	-	-	-

*Holding 90,123 shares in the name of M/s. Ajay Kumar Jain (HUF) as Karta.

V. Indebtedness

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(₹ in crores)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	74.36	-	-	74.36
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.22	-	-	0.22
Total (i+ii+iii)	74.58	-	-	74.58
Change in Indebtedness during the financial year				
* Addition	6.91	-	-	6.91
* Reduction	22.83	-	-	22.83
Net Change	15.92	-	-	15.92

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the end of the financial year				
i) Principal Amount	58.44	-	-	58.44
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.14	-	-	0.14
Total (i+ii+iii)	58.58	-	-	58.58

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-Time Directors and / or Manager:

(in ₹)

S. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Mr. Ajay Kumar Jain (Managing Director)	Mr. Abhishek Jain (Whole Time Director)	
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act	6,060,400	8,461,900	14,522,300
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	948,660	39,600	988,260
	c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - As % of Profit - Others, specify	-	-	-
5	Others, please specify Provident Fund & other Funds	-	408,000	408,000
	Performance Bonus	-	-	-
	Total (A)	7,009,060	8,909,500	15,918,560
	Ceiling as per the Act	5% of the net profits of the Company		

B. Remuneration of other directors:

I. Independent Directors:

(in ₹)

Particulars of Remuneration	Name of Directors			Total Amount
	Mr. Bhuwan Kumar Chaturvedi	Mr. Pravin Kumar Gupta	Mr. Ashok Kumar Jain	
Fee for attending board committee meetings	260,000	340,000	200,000	800,000
Commission	-	-	-	-
Others	-	-	-	-
Total (I)	260,000	340,000	200,000	800,000

II. Other Non-Executive Director:

(in ₹)

Particulars of Remuneration	Mrs. Vinay Kumari Jain	Total Amount
Fee for attending board committee meetings	260,000	260,000
Commission	-	-
Others	-	-
Total (II)	260,000	260,000

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:

(in ₹)

S. No	Particulars of Remuneration	Name of the KMP		Total Amount
		Mr. Manish Dhariwal (Chief Financial Officer)	Mrs. Sonia Bhandari (Company Secretary)	
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act	2,983,405	738,802	3,722,207
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	21,600	21,600	43,200
	c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission -As % of Profit -Others, specify	-	-	-
5	Others, please specify Provident Fund & other Funds	106,257	43,308	149,565
	Performance Bonus	-	-	-
	Total	3,111,262	803,710	3,914,972

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES (Under the Companies Act): Nil

For and on behalf of the Board of Directors

Place: Noida
Date : 23rd May, 2017

Ajay Kumar Jain
Chairman & Managing Director
DIN: 00148839

Abhishek Jain
CEO & Managing Director
DIN: 00137651

Annexure-B to the Directors' Report

Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i. **The ratio of remuneration of each Director to the median remuneration of all the employees of the Company for the financial year 2016-17**

Name of Directors	Designation	Ratio to median remuneration
Mr. Ajay Kumar Jain	Chairman & Managing Director	70.30
Mr. Abhishek Jain	Whole Time Director	70.30

- ii. **The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2016-17 compared to 2015-16**

Designation	Name of Employees	% increase in remuneration
Chairman & Managing Director	Mr. Ajay Kumar Jain	182.84
Whole Time Director	Mr. Abhishek Jain	182.84
Chief Financial Officer	Mr. Manish Dhariwal	18.08
Company Secretary	Mrs. Sonia Bhandari	13.25

- iii. **Percentage increase in the median remuneration of employees in the financial year 2016-17 compared to 2015-16 - 16.66%**

- iv. **Number of permanent employees on the rolls of the Company as on 31st March, 2017 - 1,041 employees**

- v. **Average percentile increase already made in the salaries of employees other than managerial personnel in the financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration** - The median percentage increase made in the salaries of employees other than the managerial personnel was 11.31%, while the increase in the remuneration of managerial personnel was 182.84%. These increases are the function of market forced and competitiveness within the comparable groups. The increase during the year reflects the Company's performance vs. reward philosophy, as well as, the results of the benchmarking exercises. The increase in managerial remuneration is also attributed due to payment of commission which is linked to the profits of the Company.

- vi. **Affirmation the the remuneration is as per the remuneration policy of the Company** - It is hereby affirmed that the remuneration is as per the remuneration policy of the Company.

Statement showing particulars of employees pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 - Nil



Annexure - C to the Directors' Report

Form AOC-1

(Pursuant to first proviso to sub-Section (3) of Section 129 Read with rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

Part "A": Subsidiaries

The Company does not have any subsidiary as on 31st March, 2017.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(in ₹)

S. No.	Name of Associates / Joint Ventures	Associates			Joint Venture
		PPAP Automotive Chennai Private Limited	PPAP Automotive Technology Private Limited	PPAP Automotive Systems Private Limited	PPAP Tokai India Rubber Private Limited
1.	Latest audited balance sheet date	31.03.2017	31.03.2017	31.03.2017	31.03.2017
2.	Shares of associate / joint ventures held by the Company on the year end	4,000	4,000	4,000	48,500,000
3.	Amount of Investment in associates / joint venture	40,000	40,000	40,000	485,000,000
4.	Extend of holding %	40%	40%	40%	50%
5.	Description of how there is significant influence	Due to shareholding	Due to shareholding	Due to shareholding	Due to shareholding
6.	Reason why the associate / joint venture is not consolidated	Not Applicable	Not Applicable	Not Applicable	Not Applicable
7.	Net worth attributable to shareholding as per latest audited balance sheet	8,792	18,830	27,502	459,177,446
8.	Profit / Loss for the year:				
	i) Considered in consolidation	(5,546)	(5,906)	(5,906)	23,068,565
	ii) Not Considered in consolidation	(8,320)	(8,860)	(8,860)	23,068,565

- Names of associates or joint ventures which are yet to commence operations - Nil
- There were no associates or joint ventures liquidated or sold during the financial year 2016-17.

For and on behalf of the Board of Directors

Ajay Kumar Jain
Chairman & Managing Director
DIN:00148839

Abhishek Jain
CEO & Managing Director
DIN:00137651

Place: Noida
Date : 23rd May, 2017

Manish Dhariwal
Chief Financial Officer

Sonia Bhandari
Company Secretary

Annexure - D to the Directors' Report

Form No. MR-3
SECRETARIAL AUDIT REPORT
For the Financial Year Ended 31st March, 2017

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

To,

The Members of Board,
PPAP AUTOMOTIVE LIMITED
(CIN: L74899DL1995PLC073281)
54, Okhla Industrial Estate,
Phase III, Delhi-110020

Dear Sir,

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by PPAP Automotive Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2017 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not applicable as the Company has not issued any securities;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not applicable as the Company has not formulated any Employee Stock Option Scheme and Employee Stock Purchase Scheme till date;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- Not applicable as the Company has not gone with debt listing;

- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- Not Applicable. The Shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited since the date of its listing; and
 - h. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998- Not applicable as the Company has not done any Buy Back of its securities.
- vi. Other laws as applicable specifically to the Company:
- a. The Air (Prevention and Control of Pollution) Act, 1981;
 - b. The Water (Prevention and Control of Pollution) Act, 1974;
 - c. The Environment (Protection) Act, 1986; and
 - d. Petroleum Act, 1934.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India; and
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review.

Adequate notices are given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and there were no dissenting members' on any resolution.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

Further, I report that there were no instances of:

- i. Public / Right / Preferential issue of shares / debentures / sweat equity, etc.;
- ii. Redemption / buy-back of securities;
- iii. Merger / amalgamation / reconstruction, etc.; and
- iv. Foreign technical collaborations.

For VLA & Associates
(Company Secretaries)

Vishal Lochan Aggarwal
(Proprietor)
FCS No.: 7241
C P No.: 7622

Place: New Delhi
Date : 23rd May, 2017

The report is to be read along with our letter of even date which is annexed as Annexure-I and forms an integral part of this report.

Annexure-I

To,

The Members of Board,
PPAP AUTOMOTIVE LIMITED
(CIN: L74899DL1995PLC073281)
54, Okhla Industrial Estate,
Phase-III, Delhi-110020

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

Management's Responsibility:

1. Maintenance of secretarial records and other records under the scope / ambit of Secretarial Audit (hereinafter called 'Record') is the responsibility of the management of the Company. My responsibility is to express an opinion on these records based on my audit.
2. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

Auditor's Responsibility:

3. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
4. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Where ever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer:

6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For VLA Associates
(Company Secretaries)

Vishal Lochan Aggarwal
(Proprietor)
FCS No.: 7241
C P No.: 7622

Place: New Delhi
Date: 23rd May, 2017

Annexure - E to the Directors' Report

Corporate Social Responsibility Activities ("CSR Activities")

(Pursuant to Section 135 of the Companies Act, 2013)

i) Brief outline of the Company's CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

The Company's CSR policy has been uploaded on the website of the Company under the web-link: <http://ppapco.in/pdf/Corporate-Social-Responsibility-Policy.pdf>

ii) Composition of the CSR Committee:

Mr. Ashok Kumar Jain : Non-Executive / Independent Director
Mr. Abhishek Jain : Executive Director
Mrs. Vinay Kumari Jain : Non-Executive Director

iii) Average net profit of the Company for the last three financial years:

Average net profit: ₹ 142,305,422

iv) Prescribed CSR Expenditure (two percent of the amount as in item - iii above):

The Company is required to spend ₹ 2,846,108 towards CSR Activities.

v) Details of CSR spend for the financial year:

a. Total amount spent for the financial year : ₹ 1,671,587

b. Amount unspent, if any : ₹ 1,174,521

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

CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount Spent on the project or programs	Cumulative Expenditure up to reporting period	Amount spent: Direct or through implementing agency (IA)
Initiative to promote education	Donation to schools for promoting education and enhancing vocational skills	Uttar Pradesh Salarpur, Bhangel - District Gautam Budh Nagar,	12,50,000	12,08,587	12,08,587	Direct and through IA SAE India
Healthcare initiatives	Medical aid and promoting health	Tamil Nadu District Coimbatore	500,000	463,000	463,000	Through IA – Isha foundation and Rotary Club of Delhi South end Next
Total			1,750,000	1,671,587	1,671,587	

vi) Responsibility Statement by the CSR Committee:

The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

vii) Reason for not spending the whole amount during the year:

Your Company considers social responsibility as an integral part of its business activities and endeavors to utilize allocable CSR budget for the benefit of society.

Your Company is working on multiple and long term projects for CSR activities for environment, safety, education and various other community service projects.

These projects are evolving due to which, the Company's spend on the CSR activities has been less than the limits prescribed under Companies Act, 2013. The planned CSR activities are scalable and will require significant funds to support their execution.

The Company will be able to spend the complete amount on CSR activities in compliance of the statutory requirements.

Place: Noida

Date : 23rd May, 2016

Ajay Kumar Jain

Chairman & Managing Director
DIN: 00148839

Ashok Kumar Jain

Chairman of CSR Committee
DIN: 06881412

Annexure - F to the Directors' Report

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014

A. Energy Conservation

i. Steps taken or impact on conservation of energy and the steps taken by the Company for utilising alternate sources of energy

The Company continues its endeavour to reduce carbon footprint. The Company has established a strong energy saving culture, whereby each and every individual is responsible to conserve and reduce energy. Energy conservation measures have been implemented at all the plants and offices of the Company. A few initiatives taken by the Company have been listed below:

1. Installation of timers on injection machines to reduce the power consumption.
2. Interlocking of induction heaters between extrusion lines.
3. Replacement of high KW motors with low KW motors.
4. Use of LED technology for general lighting applications.
5. Interlinking of reverse osmosis systems (RO system) to reduce the requirement of alternate RO system.
6. Interlocking of water pumps with extrusion line.
7. Installation of automated timers on exhaust fans for automatic switch off.
8. Replacement of ordinary air conditioners with energy efficient new technology VRV air conditioners.
9. Reduction of heaters in extruders.
10. Installation of variable frequency drive panel on machines.
11. Installation of energy efficient all electric injection molding machines.
12. Central monitoring and controlling of machines and equipment.

ii. Impact of measures for reduction of energy consumption

The above measures have resulted in reduction of the carbon footprint.

iii. Capital investment on energy conservation equipment

In order to achieve the above initiatives, the Company has invested approximately ₹ 0.35 crores towards purchase of new equipment and machineries.

B. Technology absorption and research & development

i. Efforts made towards technology absorption

- Rationalisation and standardization of raw materials, compounds, specifications, simulation techniques etc.
- Identification of new materials to be developed for localisation and for new product development.
- Technology support to improve efficiency and achieve business growth.
- Development of new products and processes.
- Continuous product quality improvement through process adherence and improvement.
- Designing of new products and processes.

ii. The benefits derived are

- Reduction of carbon footprint.
- Reduction of process cost.
- Increased operational efficiency.
- Increased customer satisfaction.
- Timely development of new products.

iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

The details of technology imported:

The Company is using product designs and process know how received from its technology partners Tokai Kogyo Co. Limited, Japan and Nissen Chemitec Corporation, Japan. The Company is also using mold design know how received from Tokai Kogyo Seiki Co., Limited.

- a) The year of import: Tokai Kogyo Co. Limited, Japan, since 1989, Nissen Chemitec Corporation, Japan, since 2007 and Tokai Kogyo Seiki Co., Limited, Japan, since 2015.
- b) Whether the technology has been fully absorbed: Yes
- c) If not fully absorbed areas where absorption has not taken place, and the reasons thereof: The technology has been fully absorbed.

iv. Expenditure incurred on Research and Development

The details of technology imported:

(₹ in crores)

Capital Expenditure	1.11
Revenue Operations	6.73
Total	7.84
Total R&D expenditure as a % turnover	2.29%

C. Foreign Exchange Earnings and Outgo

(₹ in crores)

Particulars	For the year ended	
	31 st March 2017	31 st March, 2016
Foreign Exchange Earning	0.05	0.08
Foreign exchange outgo	66.32	60.01

Corporate Governance Report

Corporate governance brings integrity, direction and control to the affairs of the Company in a fashion that ensures optimum return for the stakeholders. Corporate governance is the broad framework which defines the way the Company functions and interacts with the complete environment. It is compliance with laws and regulations in each of the market the company operates in, leading to prudent and effective management of the organisation. Moreover, PPAP Automotive Limited ("PPAP" or "the Company") in its journey towards sustainability is integrating sustainability practices in its corporate governance system which go beyond compliances.

Your Company is open, transparent, accessible and consistent with all its communication. PPAP shares a long term perspective with its stakeholders and firmly believes that good corporate governance practices drive competitive strength and sustained performance. Thus, overall corporate governance norms have been institutionalised as an enabling and facilitating the business process at the Board, management and at all operational levels.

Simultaneously, in keeping in line with the best practices, your Company seeks to execute the practices of corporate governance through strong business fundamentals and by delivering high performance through focus on transparency, professionalism, fiduciary role of the management, independence, accountability, compliance, ethics, values, trust and proper training and development of employees and workers etc. to unlock its full potential.

1. Board of Directors

i) Composition of Board

PPAP's Board consists of an optimal combination of Executive and Non-Executive Directors with a Woman Director, representing a judicious mix of professionalism, knowledge, as well as, experience. The Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency, professionalism and disclosure.

The size and composition of the Board as on 31st March, 2017 meet the requirements of Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company's Board consist of six Directors having considerable professional experience in their respective fields.

The details of Executive and Non-Executive Directors of the Company are as below:

Category of Directors	No. of Directors	% of Total no. of Directors
Executive	2	33
Non-Executive (including Independent Directors)	4	67
Total	6	100

The composition of the Board of Directors and the number of Directorships and Committee positions held by them as on 31st March, 2017 are as below:

Name of Directors	Nature of Directorship	As on 31 st March, 2017		
		Directorship in other Companies ⁽¹⁾	Membership and Chairmanship of the Committees of the Board of other companies ⁽²⁾	
			Chairman	Member
Mr. Ajay Kumar Jain	Chairman & Managing Director	-	-	-
⁽³⁾ Mr. Abhishek Jain	Whole Time Director	-	-	-
Mr. Bhuwan Kumar Chaturvedi	Non-Executive / Independent Director	1	1	-
Mr. Pravin Kumar Gupta	Non-Executive / Independent Director	-	-	-
Mr. Ashok Kumar Jain	Non-Executive / Independent Director	-	-	-
Mrs. Vinay Kumari Jain	Non-Executive Director	-	-	-

⁽¹⁾Includes Directorships held in public limited companies and excludes directorships in private limited companies, overseas companies and companies incorporated under Section 8 of the Companies Act, 2013 and PPAP.

⁽²⁾For the purpose of committees of board of directors, only audit and stakeholders' relationship committees in other public limited companies are considered.

⁽³⁾Appointed as the Chief Executive Officer and Managing Director w.e.f. 1st April, 2017.

None of the Directors of your Company is a member of more than ten committees or is the Chairman of more than five committees across all the companies in which he / she is a Director.

ii) Board Procedures

Board meetings are governed by a suitably structured agenda, timely made available to all the Board members. The Company Secretary, in consultation with the Chairman and Managing Director, plans the agenda of the meetings well in advance and circulates the same along with the explanatory notes to the members of the Board, within the prescribed time limit, to enable them to have sufficient time to study and take informed decisions and to facilitate meaningful and focused discussions at the meetings. Any Board member may, in consultation with the Chairman, bring up any matter, in addition to the matter provided in agenda for the consideration by the Board.

Senior management personnel are invited to the Board meetings in rotation to enable them to make requisite presentations on relevant issues or to provide necessary insights into the operations / working of the Company and on various corporate strategies. Regular presentations are made by various departments to the Board and Committee meetings on the progress of business activities and performance updates.

In addition, in case of any business exigencies, the resolutions are passed by circulation and later these are passed in the subsequent Board / Committee meeting for their ratification.

iii) Independent Directors

The Independent Directors of the Company are individuals of eminence, repute and experience in their respective fields and they actively contribute to valuable insights, strategic direction, operational excellence and corporate governance of the Company.

Separate meeting of the Independent Directors

During the under review year, a separate meeting of the Independent Directors of the Company, was held on 18th March, 2017, at Le Meridien Hotel, Sector-26, M.G. Road, Gurgaon, Haryana-122002, whereat the following items as enumerated under Schedule IV of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were discussed:

- Review of performance of Non-Independent Directors and the Board as a whole;
- Review of performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and
- Assessment of the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

In order, the Independent Directors have unbiased discussions and deliberations, no representative from the management side was present in this meeting.

Performance evaluation criteria of Independent Directors

Performance of Independent Directors is evaluated based on the criteria of evaluation of Directors (including Independent Directors) devised by the Nomination and Remuneration Committee. The Directors are evaluated based on their attendance in Board and Committee meetings, contributions made by them in meetings, subject knowledge, awareness of the business and regulatory compliances, as well as, the environment in which the Company operates etc. Annual evaluation of performance of Independent Directors is done by the Board of Directors and Nomination and Remuneration Committee of the Company.

iv) Details of Board meetings held during the year

Details of all Board meetings of the Company, held during the year, including attendance of each Director at all such Board meetings along with details of attendance of each Director of the Company, at the last Annual General Meeting ("AGM") of the Company are as below:

Name of Directors	Dates of Meetings					
	Meetings of Board of Directors of the Company					Last AGM
	19 th May, 2016	11 th August, 2016	27 th October, 2016	30 th January, 2017	17 th March, 2017	7 th September, 2016
Mr. Ajay Kumar Jain	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Abhishek Jain	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Bhuwan Kumar Chaturvedi	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Pravin Kumar Gupta	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ashok Kumar Jain	Yes	Leave of Absence	Yes	Yes	Yes	Yes
Mrs. Vinay Kumari Jain	Yes	Yes	Yes	Yes	Yes	Yes

v) Committees of the Board

The Board has constituted several Committees of Directors, with adequate delegation of powers to focus effectively on the issues and ensure expedient resolution of diverse matters and achieve objectivity. Each Committee has its own terms of reference, which has been framed in compliance with applicable laws defining the scope, powers, goals, responsibilities and composition of the Committee. Further, the Company Secretary of the Company acts as the Secretary to all the Committees.

These Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review.

The Minutes of meetings of all the Committees of the Board are placed at the Board meetings for their consideration. The Committees of the Board are:

- Audit Committee;
- Stakeholders' Relationship Committee;
- Nomination and Remuneration Committee; and
- Corporate Social Responsibility Committee.

A. Audit Committee

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the management, the internal auditors and the statutory auditors and notes the processes and safeguards employed by each.

All the members of the Committee have good financial and accounting knowledge. The Chairman of the Committee has accounting and financial management expertise. Senior management personnel including Chief Financial Officer, Chief Operating Officer, Statutory Auditors and Internal Auditors are invitees to the meetings.

As per Regulation 18(3) read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013, the Audit Committee has been entrusted with the following responsibilities:

Financials

1. Oversight of the Company's financial reporting process and financial information submitted to the Stock Exchanges, regulatory authorities or the public;
2. Reviewing with the management the quarterly unaudited financial statements and the auditors' limited review report thereon / audited annual financial statements and auditors' report thereon before submission to the Board for approval. This would, *inter alia*, include reviewing changes in the accounting policies and reasons for the same, major accounting estimates based on the exercise of judgment by the management, significant adjustments made in the financial statements, compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other legal requirements relating to financial statements and / or recommendation, if any, made by the statutory auditors in this regard;
3. Review the management discussion and analysis of financial and operational performance; and
4. Review the investments made by the Company.

Internal controls and risk management

1. Evaluation of internal financial controls and risk management systems; and
2. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

Audit

1. Review the scope of the statutory auditors, the annual audit plan and the internal audit plan with a view to ensure adequate coverage;
2. Review the significant audit findings from the statutory and internal audits carried out, the recommendations and managements' response thereto;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. To discuss with the statutory auditors / internal auditors any significant difficulties encountered during the course of the audit;

5. To review annual cost audit report submitted by the cost auditor;
6. Review and recommend to the Board the appointment / re-appointment of the statutory auditors and cost auditors considering their independence and effectiveness and their replacement and removal; and
7. To recommend the appointment, removal and terms of remuneration of the internal auditors.

Compliance

1. Approval of related party transactions and subsequent modifications, if any;
2. Scrutiny of inter-corporate loans and investments;
3. Valuation of undertakings or assets of the Company, wherever it is necessary;
4. Uses / application of funds raised through an issue;
5. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
6. To review the functioning of the whistle blower mechanism;
7. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate; and
8. To grant omnibus approval for related party transactions which are in the ordinary course of business and on an arm's length pricing basis and to review and approve such transactions subject to the approval of the Board.

Meetings, attendance & composition of the Audit Committee:

During the year, the Audit Committee met five times. The maximum time gap between any two meetings was not more than one hundred and twenty days.

The details of the Audit Committee meetings and attendance of the members of the Committee during the financial year ended 31st March, 2017 are as below:

Name of Committee Member	Category	Dates of Audit Committee Meetings				
		19 th May, 2016	11 th August, 2016	27 th October, 2016	30 th January, 2017	17 th March, 2017
Mr. Bhuwan Kumar Chaturvedi	Non-Executive / Independent Director	Yes	Yes	Yes	Yes	Yes
Mr. Ajay Kumar Jain	Executive Director	Yes	Yes	Yes	Yes	Yes
Mr. Pravin Kumar Gupta	Non-Executive / Independent Director	Yes	Yes	Yes	Yes	Yes
⁽⁴⁾ Mr. Ashok Kumar Jain	Non-Executive / Independent Director	NA	Leave of Absence	Yes	Yes	Yes

⁽⁴⁾Mr. Ashok Kumar Jain has been appointed as Member w.e.f. 19th May, 2016.

In addition to the members of the Audit Committee, these meetings were attended by Chief Financial Officer, Chief Operating Officer, Internal Auditor and Statutory Auditor of the Company, wherever necessary, and those executives of the Company who were considered necessary for providing inputs to the Committee.

The Chairman of the Audit Committee, Mr. Bhuwan Kumar Chaturvedi, was present at last Annual General Meeting of the Company held on 7th September, 2016.

B. Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) determines on behalf of the Board and on behalf of the shareholders, the Company's policy governing remuneration payable to the Executive Directors as well as the nomination and appointment of Directors.

The NRC also has the responsibility of setting criteria for appointment of Directors / Senior Management including Key Managerial Personnel (KMP) and employees of the Company, recommending appointment & remuneration policy to the Board, performance evaluation of Directors and the Board, Board diversity etc.

As per Regulation 19(4) read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013, the NRC Committee has been entrusted with the following responsibilities:

The terms of reference of the NRC are broadly as under:

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and removal and to carry out evaluation of every Director's performance;
2. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration for the Directors, key managerial personnel and other employees;
3. To formulate the criteria for evaluation of Independent Directors and the Board;
4. To devise a policy on Board diversity;
5. To extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors; and
6. To recommend / review remuneration of Managing Director / Whole Time Director.

Meetings, attendance & composition of the NRC:

During the year, the NRC met two times and quorum was present in both of the meetings.

The details of the NRC meetings and attendance of the members of the Committee during the financial year ended 31st March, 2017 are as below:

Name of Committee Member	Category	Dates of NRC Meetings	
		19 th May, 2016	17 th March, 2017
Mr. Pravin Kumar Gupta	Non-Executive / Independent Director	Yes	Yes
Mr. Bhuwan Kumar Chaturvedi	Non-Executive / Independent Director	Yes	Yes
Mrs. Vinay Kumari Jain	Non-Executive Director	Yes	Yes

Remuneration to the Directors

The Executive Directors are eligible for remuneration as may be approved by the shareholders of the Company on the recommendation of the Committee and the Board of Directors. The break-up of the pay scale shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration approved by the shareholders and Central Government, wherever required. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Directors in accordance with the provisions of the Companies Act, 2013.

The Non-Executive / Independent Directors may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

The KMP, senior management personnel and other employees of the Company shall be paid monthly remuneration as per the Company's HR policies.

Details of remuneration and sitting fee paid to the Directors of the Company during the financial year ended 31st March, 2017 are as follows:

(in ₹)

Name of Directors	Sitting Fees	Salary and perquisite	Bonus	Commission	Total	No. of Equity shares held
Mr. Ajay Kumar Jain	N.A.	7,000,660	8,400	7,970,572	14,979,632	3,935,680 90,123 ⁽⁵⁾
Mr. Abhishek Jain	N.A.	8,493,100	8,400	7,970,572	16,472,072	1,002,404
Mr. Bhuwan Kumar Chaturvedi	260,000	N.A.	N.A.	N.A.	260,000	-
Mr. Pravin Kumar Gupta	340,000	N.A.	N.A.	N.A.	340,000	-
Mr. Ashok Kumar Jain	200,000	N.A.	N.A.	N.A.	200,000	-
Mrs. Vinay Kumari Jain	260,000	N.A.	N.A.	N.A.	260,000	533,890

⁽⁵⁾holding in the name of M/s. Ajay Kumar Jain HUF as Karta.

Relationship between Directors inter-se

The Directors' inter-se relationship are as follows:

Name of Directors	Relationship with other Directors
Mr. Ajay Kumar Jain	Husband of Mrs. Vinay Kumari Jain and Father of Mr. Abhishek Jain
Mrs. Vinay Kumari Jain	Wife of Mr. Ajay Kumar Jain and Mother of Mr. Abhishek Jain
Mr. Abhishek Jain	Son of Mr. Ajay Kumar Jain and Mrs. Vinay Kumari Jain

C. Stakeholders' Relationship Committee

The terms of reference and the ambit of powers of Stakeholders' Relationship Committee (SRC) are as per the governing provisions Section 178 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The status of member correspondences, queries, grievances etc. are endeavoured to be addressed instantaneously by the secretarial department and status thereof is also placed before the Stakeholders' Relationship Committee which meets at quarterly intervals.

As per Regulation 20(4) read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013, the SRC Committee has been entrusted with the following responsibilities:

The terms of reference of the SRC are broadly as under:

1. To specifically look into redressal of shareholders' / investors' complaints such as transfer / transmission of shares, non-receipt of declared dividends, non-receipt of share certificates, annual reports and other related matters and take requisite action(s) to redress the same; and
2. To redress the investors' complaints and recommends measures for overall improvement in the quality of investor services.

Meetings, attendance & composition of the SRC:

During the year, the SRC met four times. The quorum was present in all the meetings.

The details of the SRC meetings and attendance of the members of the Committee during the

financial year ended 31st March, 2017 are as below:

Name of Committee Member	Category	Dates of SRC Meetings			
		19 th May, 2016	11 th August, 2016	27 th October, 2016	30 th January, 2017
Mr. Pravin Kumar Gupta	Non-Executive / Independent Director	Yes	Yes	Yes	Yes
Mrs. Vinay Kumari Jain	Non-Executive Director	Yes	Yes	Yes	Yes
Mr. Abhishek Jain	Executive Director	Yes	Yes	Yes	Yes

Details of investors' complaints handled by the Company and its Registrar & Share Transfer Agent during the year are as below:

Number of complaints remaining unresolved as on 1 st April, 2016	Nil
Number of complaints received during the year	1
Number of complaints resolved during the year	1
Number of complaints remaining unresolved as on 31 st March, 2017	Nil

D. Corporate Social Responsibility Committee

The Company is committed to incorporating policies, systems and approaches to achieve its positive impact growth objectives. Deeply inherent in our vision statement are the principles of sustainability. The Corporate Social Responsibility (CSR) approach stems from our vision statement focusing on "continuously enhancing stakeholder value", which includes the larger society and environment in which the Company operates. The CSR philosophy of the Company rests on the principle of sustainability and self-reliance. It also embeds a dimension of philanthropy.

The CSR Policy is also available on the website of the Company and can be accessed by web link <http://ppapco.in/pdf/Corporate-Social-Responsibility-Policy.pdf>

As per Section 135 of the Companies Act, 2013, the CSR Committee has been entrusted with the following responsibilities:

The terms of reference of the CSR Committee are broadly as under:

1. To frame the CSR Policy and its review from time to time;
2. Recommend the amount of expenditure to be incurred on the CSR activities;
3. Monitor implementation and adherence to the CSR Policy of the Company from time to time;
4. To ensure compliance with the laws, rules & regulations governing the CSR; and
5. Such other activities as the Board of Directors may determine from time to time.

Meetings, attendance & composition of the CSR Committee:

During the year, the CSR Committee met two times and quorum was present in both the meetings.

The details of the CSR Committee meetings and attendance of the members of the Committee

during the financial year ended 31st March, 2017 are as below:

Name of Committee Member	Category	Dates of CSR Committee Meetings	
		19 th May, 2016	27 th October, 2016
Mr. Ashok Kumar Jain	Non-Executive / Independent Director	Yes	Yes
Mrs. Vinay Kumari Jain	Non-Executive Director	Yes	Yes
Mr. Abhishek Jain	Executive Director	Yes	Yes

vi) Appointment or re-appointment of Directors

Pursuant to the provisions of the Companies Act, 2013 and the Articles of Association of the Company, one third of the Directors are liable to retire by rotation at the Annual General Meeting of the Company. Mr. Abhishek Jain (DIN: 00137651) retires by rotation and being eligible, offer himself for re-appointment at the ensuing Annual General Meeting.

The Board at its meeting held on 17th March, 2017 upon the recommendation of the Nomination and Remuneration Committee, has elevated the designation of Mr. Abhishek Jain (DIN: 00137651), Whole Time Director, to the position of the Chief Executive Officer and Managing Director of the Company, as Directors liable to retire by rotation. The said appointment is for a tenure of five years with effect from 1st April, 2017, subject to the approval of shareholders at the ensuing Annual General Meeting.

The brief profile of Mr. Abhishek Jain, seeking appointment and re-appointment at the ensuing Annual General Meeting is as follows:

Mr. Abhishek Jain (DIN: 00137651)

Mr. Abhishek Jain is a Bachelor of Science in Industrial Engineering from Purdue University, West Lafayette, USA.

He has an experience of over a decade in the automotive industry. He commenced his career in USA by working for an automotive company. Subsequently, he joined the Company in 2003. Since then, he has been managing all the operations of the Company. He served as the Regional Coordinator of Toyota Kirloskar Suppliers Association from 2008 to 2015. Currently, he is a member of the Executive Committee of the Honda Suppliers Club.

He is looking after the overall operations of the Company including production, planning & control, marketing and quality control functions. He is also entrusted with the responsibility of strategy, research & development, growth, diversification and improving stakeholders wealth.

Directorship in other companies:

- PPAP Tokai India Rubber Private Limited
- Kalindi Farms Private Limited
- Ajay Kumar Jain Holdings Private Limited
- Arhaan Holdings Private Limited
- PPAP Automotive Chennai Private Limited
- PPAP Automotive Technology Private Limited
- PPAP Automotive Systems Private Limited
- Elpis Infrastructure Corporation Private Limited
- Arhaan Ventures Private Limited

#Committee Position:

- PPAP Automotive Limited- Member of Stakeholders' Relationship Committee

#Committee position includes only Audit and Stakeholders' Relationship Committee.

2. General body meetings

a. Annual General Meetings

Details of last three years Annual General Meetings of the Company are as under:

For the year	Venue	Day, Date & Time	Number of Special Resolutions
2015-16	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110003	Wednesday, 7 th September, 2016 at 10:30 A.M.	2
2014-15	The Executive Club, Dolly Farms & Resorts Pvt. Ltd. 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi -110074	Saturday, 26 th September, 2015 at 11:00 A.M.	2
2013-14	The Executive Club, Dolly Farms & Resorts Pvt. Ltd. 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi -110074	Saturday, 27 th September, 2014 at 10:30 A.M.	3

b. Postal ballot

During the year under review, no resolution has been passed through postal ballot.

3. Disclosures

(a) Related Party Transactions

During the year, no transaction of material nature has been entered into by the Company that may have a potential conflict with the interests of the Company. The details of related parties transactions as required under Accounting Standard (AS-18) are disclosed in note no. 33 of the attached standalone financial statements for the year ended 31st March, 2017.

The Company places all the relevant details before the Audit Committee and the Board on quarterly and annual basis.

These transactions have been approved by the Audit Committee and the Board of Directors from time to time.

The policy on related parties transactions has been uploaded on the website of the Company and can be accessed at: <http://ppapco.in/pdf/Related-Party-Transactions-Policy.pdf>.

(b) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority

The Company has complied with requirements of the Stock Exchanges, SEBI and other statutory authorities on any matters relating to capital markets during the last three years.

No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI and other statutory authorities relating to the above.

(c) Management discussion and analysis report

A detailed report on management discussion and analysis is provided separately as a part of this annual report.

(d) Disclosure of accounting treatment

While in the preparation of financial statements, the Company has followed the guidelines of accounting standards laid down by the Central Government under the provisions of Section 129(1) of the Companies Act, 2013 and represent the facts in the financial statements in a true and fair

manner.

(e) Disclosure of accounting treatment

The Company uploads its quarterly / annual financial results on its website www.ppapco.in. The results are also reported to the Stock Exchanges and are published in the newspapers as specified under Regulation 47 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(f) Whistle blower policy (Vigil mechanism)

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has laid down a whistle blower policy. The employees aware of any alleged wrongful conduct are encouraged to make a disclosure to the Audit Committee. In terms of the said policy, no personnel has been denied access to the Audit Committee of the Board.

(g) Declaration by Independent Directors

During the year under review, the Company received declaration in terms of the provisions of Section 149(6) & (7) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from all the Independent Directors.

(h) Training of Board members

As regards training of Board members, the Directors on Board are experienced professionals having wide range of expertise in diverse fields. They keep themselves abreast with latest developments in the field of management, technology and business environment through various symposiums, seminars etc.

(i) Foreign currency exchange rates

Income and expense in foreign currencies are converted at exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities other than net investments in non-integral foreign operations are translated at the exchange rate prevailing on the balance sheet date and the exchange gains or losses are recognised in the statement of profit and loss.

(j) Risks associated with foreign currency fluctuations

The Company uses foreign exchange forward, option and futures contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The use of hedging instruments is governed by the Company's hedging policy as approved by the Board of Directors.

(k) Disclosure of compliance of Regulation 17 to 27 and clauses (b) to (i) of sub Regulation (2) of Regulation 46

The Company has complied with all the applicable mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(l) Certificate for transfer of shares and reconciliation of share capital

Pursuant to Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certificates on half-yearly basis, have been issued by a Company Secretary in Practice with respect to due compliance of share transfer formalities by the Company.

As stipulated by SEBI, a qualified Company Secretary in practice conducts the reconciliation of share capital audit of the Company for the purpose of reconciliation of total admitted capital with the depositories, i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital of the Company.

4. Discretionary requirements under Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The status of compliance with discretionary recommendations of the Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Stock Exchanges is provided below:

- a. **The Board:** The Company has an Executive Chairman.
 - b. **Shareholder Rights:** The quarterly and year to date financial statements are published in newspapers and uploaded on Company's website.
 - c. **Modified Opinion in Auditors' Report:** The financial statements of the Company contain no audit qualification.
 - d. **Separate posts of Chairperson and CEO:** The positions are held by separate persons.
 - e. **Reporting of Internal Auditor:** The Internal Auditor reports directly to the Audit Committee and makes comprehensive presentations at the Audit Committee meeting on the Internal Audit Report.
- 5. Evaluation of the Board's performance**
- Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees contributed in the overall growth of the Company.
- A structured annual forms for Board and Committees were prepared after considering various aspects such as composition of the Board and its Committees, Board culture & meetings, performance of specific duties, obligations and governance.
- At the conclusion of the evaluation exercise, the members of the Board of the Company assessed that the Board as a whole together with each of its Committees was working effectively in performance of its key functions.
- 6. CEO / CFO certification**
- In compliance with Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a declaration duly signed by CEO & Managing Director and Chief Financial Officer was placed before the Board, certifying the accuracy of financial statements and the adequacy of internal controls pertaining to financial reporting for the year ended 31st March, 2017.
- 7. Familiarization program for Independent Directors**
- Independent Directors of the Company are regularly familiarized with the current situation in the industry and in the Company, their roles, rights and responsibilities, as well as, with the nature of industry and business model of the Company through various programs. To familiarize the Directors with strategy, operations and functions of the Company, various senior managerial personnel make presentations about Company's strategy, operations, product offerings, market situation, technology updates and operational facilities. The Board including all Independent Directors are provided with relevant documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices from time to time besides regular briefing by the members of the senior management team.
- The familiarization program for Independent Directors is also available on the Company's website and is accessible at <http://ppapco.in/pdf/Familiarization-program-for-Independent-Directors.pdf>.
- 8. Code of conduct**
- The Board of Directors of the Company has approved and adopted a code of conduct, applicable to all the Board members and senior management personnel and the same has been uploaded on the website of the Company and can be accessed at: <http://ppapco.in/Code-of-Conduct.pdf>
- All concerned have affirmed their compliance with the said code during the year under review. As required, a declaration to this effect by the Chairman & Managing Director of the Company is annexed to this report.
- 9. Whistle blower policy**
- Your Company believes in the conduct of its business affair in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. In order to inculcate

accountability and transparency in its business conduct, the Company has been constantly reviewing its existing systems and procedures. Your Company has approved a whistle blower policy which enables all employees, Directors and other stakeholders to raise their genuine concerns internally in a responsible and effective manner and if they discover information which they believe shows serious malpractice(s) or irregularity within the Company they can report to the management instances of unethical behaviour, actual or suspected, fraud or violation of Company's code of conduct or ethics policy. No person was denied access to the Audit Committee.

This policy is also available on the Company's website and is accessible at <http://ppapco.in/pdf/Whistle-Blower-Policy.pdf>.

10. Policy for determining material subsidiaries

The Board of Directors of the Company has in place a 'Policy for Determining Material Subsidiaries' in pursuance of Regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Your Company has not any material subsidiary.

This policy has been uploaded on the website of the Company and can be accessed at: <http://ppapco.in/pdf/Policy-on-Material-Subsidiaries.pdf>.

11. Code of conduct for prevention of insider trading

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated a comprehensive "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" in the securities of the Company. This code of conduct is applicable to promoters, directors, group heads, heads and such other employees of the Company and others who are expected to have access to unpublished price sensitive information.

The code of conduct lays down guidelines advising them on procedures to be followed and disclosures to be made while dealing with the shares of the Company and cautioning them of consequences of violations.

12. Compliance certificate from the practicing company secretaries regarding compliance of conditions of corporate governance

The certificate from the practicing company secretaries regarding compliance of conditions of corporate governance is annexed and forms an integral part of the annual report.

13. Details of unclaimed securities suspense account

As per SEBI directive, outstanding unclaimed shares have been transferred to unclaimed securities suspense account and the voting rights on these shares remain frozen till the rightful owner claims such shares:

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account as on 1 st April, 2016.	32	1,867
Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year.	-	-
Number of shareholders and aggregate number of shares transferred to the unclaimed suspense account during the year.	-	-
Aggregate number of shareholders and outstanding shares in the suspense account lying as on 31 st March, 2017.	32	1,867

• Transfer of unclaimed shares to Investors Education and Protection fund

The equity shares of the Company in respect of which dividend(s) has not been paid or claimed for the last seven (7) consecutive years or more shall be transferred to the demat account of the Investor Education and Protection Fund pursuant to the provisions of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and

Refund) Rules, 2016, as amended from time to time.

The Company has already sent individual communication to the concerned shareholder whose shares are liable to be transferred, *inter alia*, providing the details of the shares due for transfer to authority. A list of such shareholders is also available on the website of the Company at www.ppapco.in.

14. Means of communication

- a. Quarterly and Annual Financial Results :** Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company furnishes the quarterly as well as annual Financial Results, (within 30 minutes of closure of the Board meeting) by online filings, to both the Stock exchanges i.e. National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). Such information has also been simultaneously displayed in the 'Investor' section on the Company's website i.e. www.ppapco.in.

Quarterly and annual financial results including other statutory information are published in an English daily viz. 'Business Standard' and in a vernacular language newspaper viz. 'Business Standard'.

- b. Presentations to Institutional Investors / Analysts:** Presentations made to institutional investors or to the analysts are displayed on Company's corporate website i.e. www.ppapco.in.
- c. Website:** Pursuant to Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company's website www.ppapco.in contains a dedicated functional segment called 'Investor' where all the information needed by shareholders is available including information on Directors, shareholding pattern, quarterly reports, financial results, annual reports and various policies of the Company.
- d. Annual Reports:** The Company has been sending annual reports, notices and other communications to the registered email id of the members. However, in case where email id of a member is not registered, such communications are sent physically through prescribed modes of postage.
- e. Investor Conference Calls:** Every quarter, post the announcement of financial results, conference calls are held with institutional investors and analysts. These calls are addressed by the CEO & Managing Director and Chief Financial Officer. Transcripts of the calls are also posted on the website of the Company.
- f. NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance & Listing Centre:** Your Company has been regularly uploading information related to its financial results, periodical filings like shareholding pattern, corporate governance report and other communications on the online portal NEAPS, a web based filing system designed by the NSE and Listing Centre a web based application designated for corporate by BSE.
- g. SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of action taken reports by concerned companies and online viewing by investors of actions taken on the complaint and its current status.
- h. Designated exclusive email-id:** The Company has designated the following email-id for investor servicing: investorservice@ppapco.com

Investors can also mail their queries to Registrar and Share Transfer Agent at delhi@linkintime.co.in

15. Shareholders' Information

- i) **Annual General Meeting**
 - Day : Wednesday
 - Date : 23rd August, 2017
 - Time : 10:30 a.m.
 - Venue : The Auditorium,
Sri Sathya Sai International Centre,
Institutional Area, Lodhi Road, Pragati Vihar,
New Delhi-110003
- ii) **Financial year** : 1st April to 31st March
- iii) **Quarterly Unaudited Results**
 - Quarter ending 30th June, 2017 : On or before 14th August, 2017
 - Quarter ending 30th September, 2017 : On or before 14th November, 2017
 - Quarter ending 31st December, 2017 : On or before 14th February, 2018
- iv) **Annual Audited Results**
 - Year ending 31st March, 2018 : On or before 30th May, 2018
- v) **Date of Book closure** : Thursday, 17th August, 2017 to
Tuesday, 22nd August, 2017
(both days inclusive)
- vi) **Dividend Payment Date**
 - For interim dividend 2016-17 of ₹ 1.25 per equity share declared on 27th October, 2016 : 21st November, 2016
 - For final dividend 2016-17 of ₹ 1.75 per equity share recommended by the Board of Directors at its meeting held on 23rd May, 2017 : Commencing on 5th September, 2017
(subject to approval of shareholders)
- vii) **Listing on Stock Exchanges**

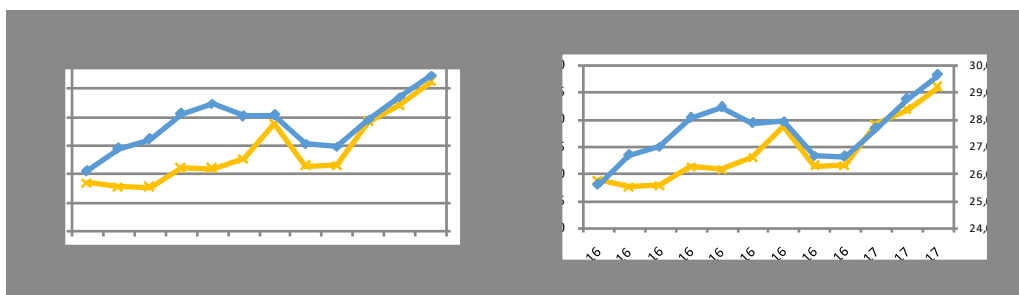
NSE Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400051 Tel: +91-22-26598100 / 14, Fax: +91-22-26598237 / 38 Email: cmlist@nse.co.in	BSE Phiroje Jeejeebhoy Towers 1 st Floor, Dalal Street, Mumbai-400001 Tel: +91-22-22721233 / 34, Fax: +91-22-22721919 / 3027 Email: corp.relations@bseindia.com
--	--
- viii) **Stock Code**
 - BSE : 532934
 - NSE : PPAP
 - ISIN No. : INE095I01015
- ix) **Listing Fees**
The Company has paid listing fees up to the financial year ended 31st March, 2018 to NSE and BSE where Company's shares are listed.

x) Market Price Data

Market price of shares on NSE and BSE during the financial year 2016-17 are as below:

Month	NSE				BSE			
	Nifty close	PPAP Share Price (₹ per share)			Sensex close	PPAP Share Price (₹ per share)		
		High	Low	Close		High	Low	Close
Apr-16	7,849.80	159.95	137.05	142.70	25,606.62	170.00	137.50	144.50
May-16	8,160.10	158.00	132.00	139.45	26,667.96	162.90	130.00	138.05
Jun-16	8,287.75	159.70	133.20	138.75	26,999.72	158.00	122.10	139.45
Jul-16	8,638.50	162.00	137.15	155.35	28,051.86	163.35	136.30	156.45
Aug-16	8,786.20	165.40	142.15	154.85	28,452.17	165.00	141.50	154.30
Sep-16	8,611.15	185.00	152.00	163.65	27,865.96	175.85	150.00	165.10
Oct-16	8,625.70	207.70	157.55	193.75	27,930.21	204.50	165.90	193.60
Nov-16	8,224.50	197.95	148.00	157.45	26,652.81	196.50	148.10	156.90
Dec-16	8,185.80	175.00	150.10	157.85	26,626.46	167.50	149.60	157.70
Jan-17	8,561.30	207.65	157.10	195.70	27,655.96	208.00	156.00	195.95
Feb-17	8,879.60	224.35	197.00	210.35	28,743.32	224.00	198.00	208.65
Mar-17	9,173.75	237.00	207.35	230.35	29,620.50	235.60	207.95	229.55

Source: www.nseindia.com & www.bseindia.com



xi) Compliance Officer

Name : Mrs. Sonia Bhandari
 Designation : Company Secretary
 Tel : +91-120-2462552 / 53
 Fax No. : +91-120-2461371
 Email Address : investorservice@ppapco.com

xii) Address of Registrar and Share Transfer Agent : Link Intime India Private Limited
 44, Community Centre,
 2nd Floor, Naraina Industrial Area
 Phase-I, New Delhi-110028
 Email: delhi@linkintime.co.in
 Website: www.linkintime.co.in
 Tel: +91-11-41410592 / 93 / 94

xiii) Share Transfer System

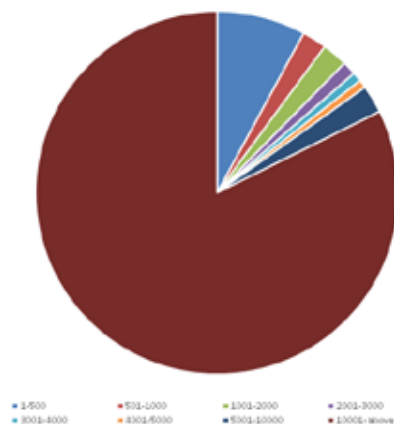
To expedite the share transfer in physical segment, Stakeholders' Relationship Committee has authorised Company Secretary to approve transfer of securities. The Company Secretary informed the status of transfer of securities to the Stakeholders Relationship Committee meets at periodical intervals.

As per the requirement of Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained the half yearly certificates from the Company secretary in practice for due compliance of share transfer formalities.

xiv) Distribution of Shareholding

Details of category wise shareholding as on 31st March, 2017 are as below:

No. of Equity Shares	No. of Shareholders	(%)	Total No. of Shares	(%)
1-500	14,824	94.85	1,105,811	7.90
501-1000	369	2.36	306,038	2.19
1001-2000	206	1.32	316,453	2.26
2001-3000	66	0.42	169,820	1.21
3001-4000	33	0.21	117,633	0.84
4001-5000	22	0.14	101,431	0.72
5001-10000	50	0.32	349,141	2.49
10001-above	59	0.38	11,533,673	82.38
Total	15,629	100.00	14,000,000	100.00

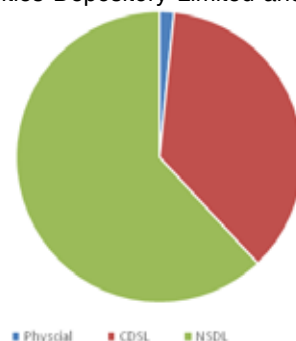


xv) Dematerialization of Shares

Equity Shares of the Company are under compulsory demat trading segment. Considering the advantages of scrip less trading, members are advised to consider dematerialization of their shareholding so as to avoid inconvenience involved in the physical shares such as mutilation, possibility of loss / misplacement, delay in transit etc. and also to ensure safe and speedy transaction in securities.

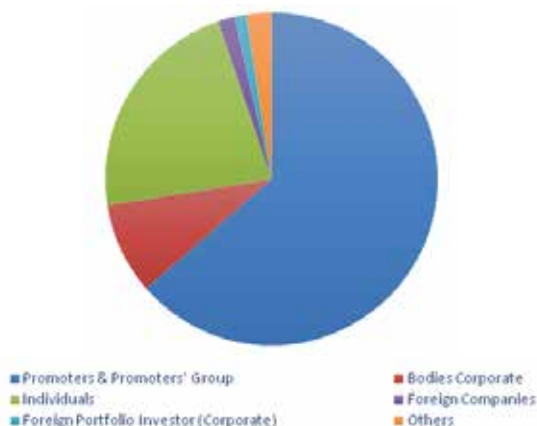
The equity shares of the Company are being traded under compulsorily demat form as per SEBI notification. The Company's shares are tradable compulsorily in electronic form and are available for trading in the depository systems of both National Securities Depository Limited and Central Depository Services (India) Limited.

S. No.	Mode of Holding	No. of shares	% of total share capital
1	Physical	225,146	1.61
2	CDSL	5,094,029	36.39
3	NSDL	8,680,825	62.00
	Total	14,000,000	100.00



xvi) Details of Shareholding Pattern as on 31st March, 2017 are as below:

S. No.	Category	Total number of Shares	% of total number of Shares
A. Promoters & Promoters' Group			
i	Individual / Hindu Undivided Family	5,575,217	39.82
ii	Bodies Corporate	3,321,907	23.73
Total Shareholding of Promoters & Promoters' Group (A)		8,897,124	63.55
B. Public Shareholding			
i	Bodies Corporate	1,248,666	8.92
ii	Individuals	3,129,312	22.35
iii	Foreign Companies	225,000	1.61
iv	Foreign Portfolio Investor (Corporate)	159,914	1.14
v	Non Resident Indians	50,637	0.36
vi	Others	289,347	2.07
Total Public Shareholding (B)		5,102,876	36.45
Total (A + B)		14,000,000	100.00



xvii) ECS Mandate

All shareholders are requested to update their bank account details with their respective depositories urgently. This would facilitate transfer of dividend directly to the bank account of the shareholders.

xviii) Outstanding GDR / ADR / Warrants or any convertible instrument

No outstanding GDR / ADR / Warrants or any convertible instrument as on 31st March, 2017.

xix) Plant Locations:

New Delhi

54 & 56, Okhla Industrial Estate, Phase-III, New Delhi-110020

Surajpur - Plant III

B-4, Site V, UPSIDC, Kasna, Surajpur Industrial Area, Greater Noida-201306, Uttar Pradesh

Chennai - Plant V (upcoming)

Plot No. G-24, 2nd Main Road, 8th Cross Street, Vallam Vadagal SIPCOT Industrial Park, Vadagal 'A' Village, Sriperumbudur Taluk, Kancheepuram District-602105, Tamil Nadu

Noida - Plant I

B-45, Phase-II, Noida-201305, Uttar Pradesh

Pathredi - Plant IV

SP3-802, R.I.A, Pathredi Industrial Area, Bhiwadi, District Alwar-301019, Rajasthan

Viramgam - Plant VI (upcoming)

Survey No. 866 (old survey no. 220), Village Ukhlod, Taluk Viramgam, Ahmedabad-382150, Gujarat

Noida - Plant II

B-206A, Sector-81, Phase-II, Noida-201305, Uttar Pradesh

Chennai - Plant V (rented)

B400-A, Indospace SKCL Industrial Park, Panruti B-Village & Post, Vandalur-Walajabad Main Road, Sriperumbudur Taluk, Kancheepuram District-631604, Tamil Nadu

xx) Registered Office

Address for Correspondence / Corporate Office

: 54, Okhla Industrial Estate, Phase-III, New Delhi- 110020
Tel: +91-011-26311671 / 26910777
B-206A, Sector-81, Phase-II, Noida-201305, U.P.
Tel: +91-120-2462552 / 53
Fax No.: +91-120-2461371
E-mail : investorservice@ppapco.com

CERTIFICATION ON FINANCIAL STATEMENTS OF THE COMPANY

The Board of Directors, PPAP Automotive Limited

We, the undersigned, in our capacities as Chairman and Managing Director and Chief Financial Officer of PPAP Automotive Limited ("the Company"), to the best of our knowledge and belief, hereby certify that:

1. We have reviewed the financial statements and the cash flow statement of the Company for the year ended 31st March, 2017 and to the best to our knowledge and belief, we state that:
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to the financial reporting and we have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
4. We have indicated, wherever applicable, to the Auditors and to the Audit Committee:
 - i) Significant changes in internal control over financial reporting during the year;
 - ii) Significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: 23rd May, 2017

Abhishek Jain
CEO & Managing Director

Manish Dhariwal
Chief Financial Officer

DECLARATION UNDER PART D OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Dear Members PPAP Automotive Limited

I hereby confirm that all the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the Code of Conduct of the Company during the financial year 2016-17.

Date: 23rd May, 2017

Ajay Kumar Jain
Chairman & Managing Director



CERTIFICATE ON CORPORATE GOVERNANCE UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Members

PPAP Automotive Limited

We have examined the compliance of regulations of Corporate Governance by PPAP Automotive Limited (the "Company") for the year ended 31st March, 2017, as stipulated in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the regulations of Corporate Governance as stipulated in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We state that in respect of investor grievances received during the year ended 31st March, 2017, no grievances are pending against the Company as per records maintained by the Company.

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

For VLA & Associates
Company Secretaries

Place : New Delhi
Date : 23rd May, 2016

Vishal Lochan Aggarwal
Proprietor
FCS No. 7241
C.P. No. 7622

Management Discussion and Analysis Report

Economy Overview

India is on a growth trajectory. Indian economy is poised to become one of the fastest growing economies of the world trailing behind China. In contrast with the stagnant or low growth economies of the world, India is becoming an attractive market for investments by foreign investors.

The Government of India, led by Honorable Prime Minister Mr. Narendra Modi has launched various reforms and initiatives to make India an attractive place for capital investments. Initiatives like Make in India, Digital India and Swachh Bharat will boost the manufacturing sector. Reforms like De-monetization and GST are reforming the way business is carried out in India will make doing business in India, much simpler than before.

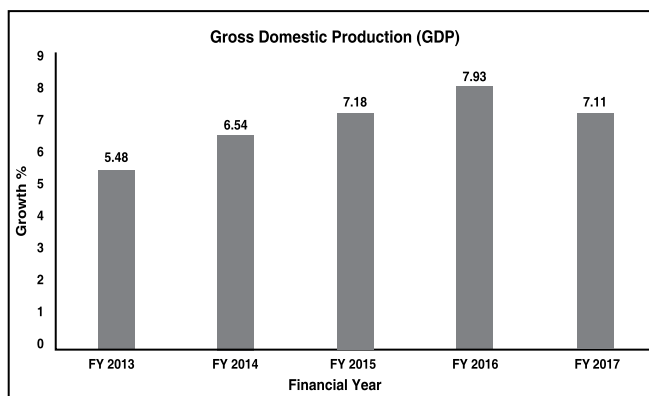
The Make in India initiative is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25% of the Gross Domestic Production (GDP) from the current 17%.

Reforms have been initiated in the power sector as well as and there is focus on generation of clean power by the way of solar electricity and wind energy. This will ensure that the industry will have continuous and cost effective power available to them. This initiative will also play a vital role in the development of the economy.

All the initiatives taken by the Government, will ultimately result in increasing the purchasing power of an average Indian consumer, which would further boost demand and hence spur development, in addition to benefiting the investors.

India continues to be the largest democracy in the world. Middle class is constantly growing and is becoming a major share of India's population. The country is ranked third in the world by GDP measured in terms of purchasing power parity and tenth by Nominal GDP.

India's average GDP growth rate for the last five years has been over 7% p.a. It is expected to grow at 7.5% in FY18 as compared to 7.1% in FY17.



(Source: Central Statistics Office)

Industry Review

Indian Auto Sector

The Automotive sector continues to be a key driver of growth of the Indian Economy. The sector contributed 7.1% to the GDP of the nation.

India is poised to become one of the top 3rd largest automotive manufacturing hub of the world. The increasing disposable income coupled with the large population and increase in road infrastructure will fuel the growth. The ease of availability of cost effective finance will also play a vital role in boosting the demand for the automotive industry. In the Automotive Mission Plan 2016-26 (AMP 2026) the industry is expected to seeks to define the trajectory of evolution of the automotive ecosystem in India including the glide path of specific regulations and policies that govern research, design, technology, testing, manufacturing, import / export, sale, use, repair and recycling of automotive vehicles, components and services.

The salient features of AMP 2026 are:

- To make the Indian automotive industry a significant contributor to the “Skill India” programme and make it one of the largest job creating engine in the Indian economy.
- The Indian automotive industry has the potential of creating 65 million incremental jobs over the next decade.
- To propel the Indian automotive industry to be the engine of the “Make in India” programme, as it is amongst the foremost driver of the manufacturing sector.
- To increase the net export of the Indian Automotive industry by 5 times and components by 7.5 times.
- The Indian automotive industry is subject to regime comprehensive and predictable policy that governs the industry in a stable and sustainable manner.
- Specific interventions are envisaged to sustain and improve manufacturing competitiveness and to address challenges of environment and safety.

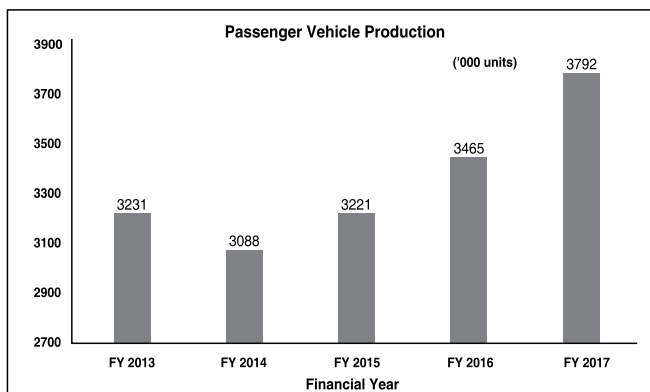
For the last year, passenger car, two wheeler and tractor industry have shown a positive growth; whereas commercial vehicle volumes remained broadly flat.

The production of total passenger vehicle stood at 3,791,540 units in FY 2017, registering a growth of 9.42% over the same period last year. (Source : SIAM)

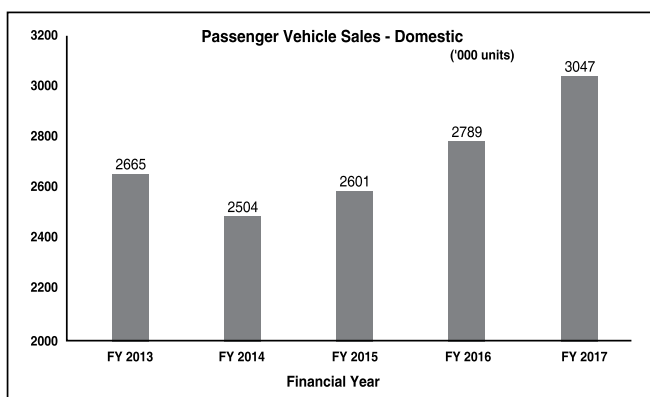
The sales of passenger vehicles (PV) grew by 9.23% in FY17 over the same period last year. Within the passenger vehicles, passenger cars, utility vehicles and vans grew by 3.85%, 29.91% and 2.37% respectively during FY17 over the same period last year. [Source: Society of Indian Automobile Manufacturers (SIAM)]

India’s urbanising, youth-dominated population’s climb up the income ladder is the PV sector’s main driver, along with a robust domestic steel manufacturing industry and the availability of skilled and semi-skilled labour, attracting global original equipment manufacturers to the country.

The Indian vehicle market is mostly price and novelty driven, which shortens the life span of passenger vehicles and puts significant pressure on manufacturers to frequently roll out new models with enhanced features. The market is dominated by two wheelers and passenger cars, reflecting the fact that India is a home to vast rural population undergoing rapid urbanisation. Rising disposable incomes and changing lifestyles have created good opportunities for the premium vehicle segments as well.



(Source: SIAM)



(Source: SIAM)

India is emerging as an export hub for parts and vehicles. Last year, the export market hit a new record in FY17. Last year, the vehicle exports also saw a tremendous increase of 16.19%. (Source: SIAM)

The auto sector is one of the biggest job creators, both directly and indirectly. It is estimated that every job created in an auto company leads to three to five indirect ancillary jobs.

Indian auto-components Sector and Outlook

The Indian auto-components industry can be broadly classified into the organised and unorganised sectors. The organised sector

caters to the Original Equipment Manufacturers (OEMs) and consists of high-value precision instruments while the unorganised sector comprises low-valued products and caters mostly to the aftermarket category. There are three automotive clusters in India. One in the North, second in the West and the third in the South part of India. Gujarat is an emerging automotive hub and will be the fourth important cluster in India.

The Indian auto-components industry has experienced healthy growth over the last few years owing to the increase in domestic production of vehicles as well as enhanced export market. According to the Automotive Component Manufacturers Association of India (ACMA), the Indian auto-components industry is expected to register a turnover of US\$ 100 billion by 2020 backed by strong exports ranging between US\$ 35- US\$ 40 billion, from the FY16 levels of US\$ 10.8 billion.

The auto-components industry accounts for almost 7% of India's GDP and employs as many as 19 million people, both directly and indirectly. A stable government framework, increased purchasing power, large domestic market and an ever increasing development in infrastructure have made India a favorable destination for investment.

Over the last decade, the automotive components industry has scaled three times to US\$ 39 billion in FY16 while exports have grown even faster to US\$ 10.8 billion. This has been driven by strong growth in the domestic market and increasing globalisation (including exports) of several Indian suppliers.

India is emerging as global hub for auto component sourcing. A cost-effective manufacturing base keeps costs lower by 10-25% relative to operations in Europe and Latin America. Relative to competitors, India is geographically closer to key automotive markets like the Middle East and Europe. Global auto component players are increasingly adopting a dual-shore manufacturing model, using overseas facilities to manufacture few types of components and Indian facilities to manufacture the others.

The Indian auto component industry is expected to grow by 8-10% in FY18, based on higher localization by OEMs, higher component content per vehicle, and rising exports from India (Source: ICRA)

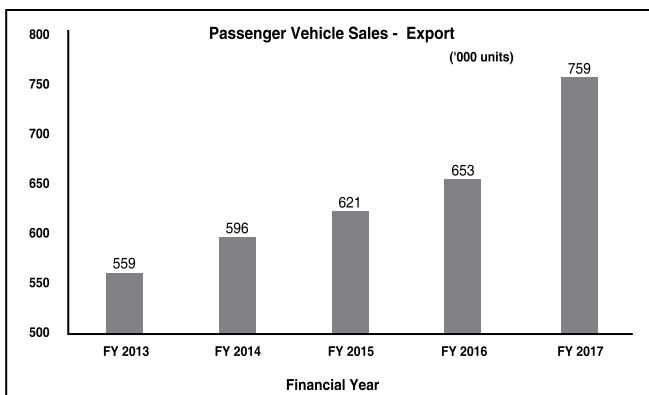
Favorable Government policies such as Auto Policy 2002, Automotive Mission Plan 2006-2016, National Automotive Testing and R&D Infrastructure Projects (NATRiPs), have helped the Indian auto components industry to achieve considerable growth.

The industry over the years has developed its capability of manufacturing all components required to manufacture vehicles. This is evident from the high levels of indigenization / localization achieved in the vehicle industry. The domestic component industry now has holistic capability to manufacture the entire range of auto-components e.g. engine parts, drive, transmission parts, suspension & braking parts, electrical, body and chassis parts, equipment etc. India's domestic market and its growth potential have been a big attraction for many global automakers.

Company Overview

PPAP Automotive Limited ("PPAP" or "Company") is a leading manufacturer of automotive sealing systems, interior and exterior automotive parts in India. The Company's state of the art manufacturing facilities are located in Northern, Western and Southern India viz. Noida (U.P.), Surajpur (U.P.), Chennai (Tamil Nadu) and Pathredi (Rajasthan). The registered office of the Company is located at New Delhi. The Company is establishing new facilities at Gujarat and Chennai and extending its manufacturing facility at Pathredi to cater its customers' demand. The Company is on track to establish its presence in all the major automotive clusters in India.

The Company was established in 1978 for the manufacture of custom made extrusion products. The Company commenced the automotive parts business in 1985 with the start of production of Maruti (Maruti



(Source: SIAM)

Suzuki) cars in the Indian market.

The Company's core competence is in polymer extrusion based automotive sealing system and injection molded products. Over the years, PPAP has been continuously adding more and more products to its product range.

The automotive sealing systems product range includes Outer Belt Moulding (Black type / Bright type), Inner Belt Moulding, Windshield Moulding, Roof Moulding, Quarter Window Moulding, Air spoiler, A-Pillar Garnish, B-Pillar Garnish, Body Side Protector, Skirt Air Damper and Slide Rail system etc. The Company also manufactures interior and exterior Injection molded products like Door Trims, Interior Pillars, Rear Parcel Shelf, Trunk Linings and Fender Inner etc.

PPAP is a key supplier to all the major automotive manufacturers in India. Some of the prestigious manufacturers like Maruti Suzuki India Limited, Honda Cars India Limited, General Motors India Private Limited, Toyota Kirloskar Motor Private Limited, Renault Nissan Automotive India Private Limited, Tata Motors Limited, Ford India Private Limited and Mahindra and Mahindra Limited along with the other OEMs. The Company also caters to CKD Parts export requirements of its customers. The Company also caters the requirements of their respective Tier 1 suppliers.

During the year under review, the Company has expanded its customer portfolio with the addition of SML Isuzu Limited, Isuzu Motors Limited, Hyundai Motor India Limited and Suzuki Motor Gujarat Private Limited. The Company has also entered into the two wheeler market in FY17 by adding Suzuki Motorcycle India Private Limited as its customers to expand its product portfolio.

PPAP has a technology transfer agreement with Tokai Kogyo Co. Limited, Japan, for development and manufacturing of automotive sealing systems. The relationship between both the companies started in 1989 and since then both the companies enjoy a harmonious and mutually beneficial relationship with each other. In 2012, the Company has ventured into EPDM Rubber based automotive sealing systems by establishing a Joint Venture (JV) viz. PPAP Tokai India Rubber Private Limited (PTI) with its Technology Partner Tokai Kogyo Co. Limited, Japan. The Company is establishing a new facility with its JV partner at Surajpur (U.P.) adjacent to its existing facility at Surajpur (U.P.).

PPAP also has a technology transfer agreement with Nissen Chemitec Corporation, Japan, for development and manufacture of Injection Molded Interior products. The Company's technical association with Nissen Chemitec Corporation commenced in 2007.

PPAP also has a technology transfer agreement with Tokai Kogyo Seiki Co. Limited, Japan, for manufacturing of tools & dies.

Today, the Company manufactures over 500 different products for its customers and continuously targets to achieve zero ppm in quality and delivery performance for all its customers.

The Company's key objective is to establish a robust manufacturing base which is capable of delivering Print to Build solutions to its customers. Apart from focusing on manufacturing excellence, the Company is also continuously focusing on reduction of its carbon footprint.

With the establishment of robust and sustaining margins, the Company's biggest challenge is to increase the outreach of its products. In order to achieve this objective, the team is continuously scouting for new opportunities by the way of addition of customers and expansion of its product range to its existing customers.

At PPAP, we continue to challenge the status quo and are committed to achieve excellence in all business practices. It is our endeavor to improve the efficiency of each and every business process of the Company.

Awards & Recognition

PPAP continues its track record of superior performance with its customers.

During the year under review, the Company has received the following Awards and Accolades:

1. Overall Performance Award Shield by Maruti Suzuki India Limited;
2. Certificate in Safety by Maruti Suzuki India Limited;
3. Certificate in Best HR Practices by Maruti Suzuki India Limited;
4. Environment Award 2017 (Co2 Reduction) by Honda Cars India Limited;
5. Bronze award in the category of Spare Parts by Honda Motor India Private Limited;
6. Second runner up in the National Level Quality Circle competition organized by Honda Cars India Suppliers Club;
7. Bronze award in the Quality Circle Competition by Toyota Kirloskar Suppliers Association;
8. The Economic Times Polymers Awards for "Body Side Moulding (Baleno), Excellence in Automotive category in the small Enterprises"; and
9. The Machinist Super Shopfloor Awards 2017 in the "Productivity category".

Opportunities and Strengths

- **Favorable economic environment**

The majority of the macroeconomic indicators have been positive, indicating a steady revival in the economy. The automotive industry is on a growth trajectory which will result in increased demands and supply of auto components.

- **Global components sourcing hub**

The Indian auto component industry is one of India's sunrise industries with tremendous growth prospects. It has emerged, from being a low-key supplier of components to the domestic market, to a significant player in the global automotive supply chain. Several global suppliers are increasing procurement from their Indian subsidiaries or partners due to the cost competitiveness coupled with robust engineering capabilities.

- **Product development capabilities**

Due to the change in expectations from the end consumer, automotive industry continuously needs to improve the technology as well as design of components used in their vehicles. There is a substantial enhancement in research and development investment over the past few years and many laboratories are being setup to conduct analysis, simulation and engineering animations. The increased sourcing and investment from global OEMs from India is turning the country into a preferred designing and manufacturing base for them. Auto component supplier, who have in house capabilities to offer a complete print to build solution for their customers, will be given preference henceforth.

- **Risks and concerns**

As global auto OEMs continuously expand their operations in the India, auto-component manufacturers face huge pressure from them to maintain quality and supply components in a just-in-time mode on the production line. The manufacturers who are not able to meet the quality, cost and delivery expectations by these OEMs face the threat of closure. Therefore, there is a greater need for collaboration between the component manufacturers, OEMs, machine tool supplies and the raw material industry.

At the operational level there are several risks that are inherent to the business of Company. These are typically transactional in nature. These risks are managed through internal processes and controls. In addition, the Company has to deal with certain major micro risks that affect the Company's strategy implementation, some of which are enumerated below:

- **Raw material and supply risk**

Procurement of raw material for the products of the Company is a very significant part of the cost of the final product. Substantial increase in current raw material prices may pose a threat to the margins of the Company in this competitive auto component sector. To mitigate the risk, the Company strives to improve its operational performance and develop new cost competitive materials, which are technologically superior and meet the customers' specifications.

- **Technology risk**

One of the major challenges for the industry is to build R&D competence and an ecosystem. OEMs have been working on various technologies. The Company needs to continuously stay in touch with such progress to evaluate ways to address these issues and develop technologies which are affordable and accessible. To mitigate this risk, the Company is focusing on enhancing its design & development capabilities by way of training at technology partner's facilities, apart from investing in R&D software and equipment.

- **Regulatory change**

Regulations are changing to accommodate the awareness about the environmental responsibilities. Stringent emission and safety norms are playing an increasingly important role globally. The Company is committed to comply with the regulatory laws in letter and in spirit.

- **Infrastructure challenges**

The Indian auto components industry faces problems for basic infrastructure needs like power and transportation cost. Availability of uninterrupted power is also a big challenge. The Company is focusing on reduction of its carbon footprint and also considering investing in renewable sources of energy for its captive usage.

- **Availability of unskilled and skilled labour**

There is a constant pressure for the industry to retain its unskilled and skilled labour at optimum cost. Alternative income generation schemes being promoted by the Government is leading to lesser availability of unskilled labour. At present, due to the increased domestic competition, it is becoming difficult to retain the talented and motivated people at reasonable cost. The Company

is focusing on extensive training and development of its human capital and making them ready to achieve excellence in business processes.

Financial Performance

i. Total Revenue

The Company's revenue has increased from ₹ 302.75 crores in FY16 to ₹ 342.70 crores in FY17. The Sales growth has been achieved by increased volume from customers and higher tool sales. PPAP has participated in the new model launches by the customers viz. for Kwid for Export Market by Renault Nissan, Innova and Fortuner by Toyota, New Dzire, Ignis, Vitara Brezza, Baleno by Maruti, WRV by Honda and Tigor by Tatas.

(₹ in crores)

Results	31 st March, 2017	31 st March, 2016	% change
Total Revenue	342.70	302.75	13.20

ii. PAT and EBITDA

The Company's Earnings before Depreciation, Interest and Tax (EBIDTA) increased from ₹ 52.06 crores in FY16 to ₹ 64.46 crores in FY17, registering a growth of 23.82%.

The Company has continued to focus on operational efficiency and optimum capital usage, during the year under review, as a result of which both EBITDA and PAT margins have improved.

EBIDTA has improved due to the lower material cost & reduced manufacturing cost. Allocation of fixed expenses on higher sales have contributed towards improved EBITDA margin. The interest cost has come down due to reduced interest rates and repayment of existing term loans without resorting to any fresh debt. Improved cash flows due to focused capex and higher EBITDA margin enabled repayments of the borrowings. PAT margin has registered a growth of 38.49% with respect to FY16.

(₹ in crores)

Results	31 st March, 2017	31 st March, 2016	% change
EBIDTA	64.46	52.06	23.82
EBIDTA Margin	18.81%	17.20%	9.36
Profit after tax	23.91	15.27	56.58
Profit Margin	6.98%	5.04%	38.49

iii. Earnings Per Share (EPS)

The Company recorded an EPS of ₹ 17.08 per equity share of ₹10 each on 14,000,000 Equity Shares, an increase of 56.55% compared to previous year.

(in ₹)

Results	31 st March, 2017	31 st March, 2016	% change
EPS (per share)	17.08	10.91	56.55

Internal Control System and their adequacy

The Company believes that internal controls is one of the key pillars of governance. It judiciously provides freedom to the management within a framework of appropriate checks and balances. The internal control system is commensurate with the nature of business, size and complexity of operations and has been designed to provide reasonable assurance on the achievement of objectives in effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The adequacy and operating effectiveness of the internal controls affecting financial reporting is assessed by the management. The operating management is equally responsible for driving revenue and profitability, along with the maintenance of financial discipline and hygiene.

To ensure efficient internal control systems, the team has also suggests continuous improvements in systems and processes which include the adoption of automation and implementing latest in information technology and tools.

The internal control framework is supplemented with an internal audit program that provides an independent view of the efficacy and effectiveness of the process and control environment and supports a continuous improvement program. The internal audit program is managed by an internal audit function with direct reporting to the Audit Committee of the Board.

The internal audit function provides assurance to the Board and management that a system of internal control is designed and deployed to manage key business risks and is operating effectively.

Internal Controls over Financial Reporting

The Company has adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance of corporate policies. The Company has appointed internal auditors to carry out both system and financial audit of its activities.

The internal control system is designed to ensure that financial and other records are reliable for preparing financial information and other data and for maintaining accountability of assets. The internal control system is supplemented by an extensive program of internal audits, reviews by management and documented policies, guidelines and procedures.

The statutory auditors of the Company have audited the financial statements included in this annual report and have issued an attestation report on our internal control over financial reporting (as defined in Section 143 of the Companies Act, 2013).

Human Resources

Strong Human Capital development is the fundamental policy for growth in the Company.

PPAP has always believed that human capital is one of the most important factors towards achieving success. Therefore, the Company's comprehensive Human Resource strategy takes into cognizance the key aspects of people development such as leadership development, employee engagement, talent management, performance management, capability development and progressive industrial relations. Our efforts is to continuously facilitate the raising of the holistic level of all our team members, through a combination of Company's efforts and their self-initiative to enable everyone to unlock his / her infinite potential through the spirit of continuous learning, changes and challenges.

To achieve global leadership in all aspects of our operations and to maximize our Company's prosperity, we work on three pillars for human development. These are:

- i. Developing the body, mind, skills and intellect of all our team members through our Indian spiritual knowledge, community service, on the job training, teach and be taught concept for achieve of overall development.
- ii. Lead the global goal posts for safety, human development, quality, technology, competitiveness, delivery and environment through self-initiative exceed customer's stated, as well as, anticipated needs. Based on customer guidance such as Toyota production system, Maruti production system, multi skilling, cross skilling, multi-tasking, global benchmarking, innovation, practice of excellence in daily management, kaizen, etc.
- iii. Achieve superior value addition through a transparent performance reward system, based on meritocracy, rewarding of superior value addition, achievement of challenging results, provide long term employment and infinite growth opportunity.

We believe that an ideal mix of talent and personal characteristics indicate, if employees are able to address current and future change suitably and the ability to do so has a positive impact on career trajectories with regard to both employees and the Company.

The manpower strength on the rolls of the Company stood at 1,014 employees as on 31st March, 2017.

Training and Development

PPAP's basic policy for training and development is cultivation of "Teach and be Taught" culture, pass on knowledge to next generation. Immediate supervisor plays a leading role in developing this culture.

Training and development is of paramount importance at PPAP because it allows employees to expand their knowledge base, acquire new skills, sharpen existing ones, perform better, increase productivity and become better leaders. We undertake continuous efforts to improve our employees' capabilities by offering functional training programme which are focused on our business imperatives.

PPAP Strategy for Training

- Foster determination and support for self-development of everyone;
- Direct supervisor plays a pivotal role for development of his / her team;
- Role of supervisor is to motivate and coach the team to improve the quality of work on daily basis with an aim to do better job today than yesterday;

- We follow Japanese culture (Toyota Production System) in our activities. Our Training systems are generally based on TPS. We follow continual improvement and respect for people as the fundamentals for development of team;
- Executive development programmes aims to offer “Challenging assignments” where executives can fully demonstrate “their capabilities and develop themselves”; and
- Leadership development programmes assigns challenging task to the leaders which are beyond their current role and responsibility and educates them to respond the challenging opportunity in relation to change and innovation.

Your Company regularly organizes the health and wellness programs for its employees through Isha Institute of Inner-sciences (operated under the auspices of the Isha Foundation). It serves as an effective tool to reduce corporate stress, sickness, reduce absenteeism, employee turnover and solutions to empower strength. It gives an opportunity to intellectually explore the basics of life using methods from the distilled essence of yogic sciences. Isha Foundation’s health and wellness solutions are designed to alleviate stress and most importantly are relevant to today’s fast paced corporate environment.

During the reporting period, we continued to run the training programme, internally as well as externally, which develops team members from our shop floor into sales / customer service executives / managers and leaders. At PPAP, trainings were provided on behavioral and functional aspects and general awareness. Our team members received training related to the shop floor, SOP adherence, quality and technical aspects, system needs and HR and safety training. Team members were provided training for their skill upgradation and multitasking.

We send our employees for training at our customer’s place viz. Toyota, Maruti and Honda for learning global standards and their specific requirements.

During the year under review, we have conducted 152 training sessions covering a wide range of topics including academic training as well as upskilling operators and management for achieving operational excellence. We have sent six employees to Japan and Thailand for training. Beside these we have also sent 26 team members for external training within India. We have upgraded HR systems with latest IT technology.

Safety, Health, Environment and Quality

At PPAP, Safety is on the top priority for all activities in the Company. PPAP has well defined Safety organization, which is responsible to carry out all safety audits, safety meetings and take necessary Safety measures on the identified unsafe conditions and acts. PPAP has robust system of internal safety audits and focuses on identifying unsafe conditions & acts (Hiyari Hato Points) so that it cannot lead to any near miss or accident. The Company has received Certificate in Safety by Maruti Suzuki India Limited.

PPAP has an objective of being the “supplier of choice” to its diverse customers. In order to achieve this objective, all manufacturing sites and functions have targets on customer service, among others. Your Company aims to continually improve these targets through its Quality Management Systems.

Plants of the Company have been certified with Safety, Health Management, Environment Management System and Quality System. The details of certifications are as follows:

Locations	ISO TS 16949 : 2009	ISO 14001 : 2004	OHSAS 18001 : 2007
Plant I (Noida)	Y	Y	Y
Plant II (Noida)	Y	Y	Y
Plant III (Surajpur)	Y	Y	Y
Plant IV (Pathredi)	Y	#	#
Plant V (Chennai)	Y	#	#

under process

Cautionary Statement

Statements in the Management Discussion & Analysis Report describing the Company’s objectives, expectations or forecasts may be forward looking within the meaning of applicable laws. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company’s operations include global and domestic demand and supply conditions affecting selling prices, raw material availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

Independent Auditors' Report

TO THE MEMBERS OF PPAP AUTOMOTIVE LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **PPAP AUTOMOTIVE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended till date. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the standards on auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

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

2. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended till date.
- (e) On the basis of the written representations received from the Directors as on 31st March, 2017 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2017 from being appointed as a Director in terms of Section 164(2) of the Act.
- (f) We are enclosing herewith a report in Annexure-II for our opinion on adequacy of internal financial controls system in place in the Company and the operating effectiveness of such controls.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended till date, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 35 to the financial statements.
 - ii. According to the information and explanations provided to us, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. The amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year have generally been duly transferred within prescribed time.
 - iv. The Company has provided requisite disclosures in Note No. 37 of its financial statements as to holdings as well as dealings in Specified Bank Notes (SBN) during the period from 8th November, 2016 to 30th December, 2016. Based on the audit procedures and relying on the management representation, we report that the disclosures are in accordance with the books of accounts and records maintained by the Company.

For **O. P. BAGLA & CO.**
Chartered Accountants
Firm Registration No. 000018N

Place : Noida
Dated : 23rd May, 2017

Atul Bagla
Partner
Membership No. 091885

ANNEXURE- I TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date)

- i) In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) As explained to us, fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. As informed to us no material discrepancies were noticed on such physical verification.
 - c) Title deeds in respect of all immovable properties are held in the name of the Company.
- ii) As explained to us physical verification has been conducted by the management at reasonable intervals in respect of inventories of finished goods, stores, spare parts and raw materials. We were explained that no material discrepancies have been noticed on physical verification.
- iii) As informed to us the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013
- iv) According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013, wherever applicable, in respect of loans, investments and guarantees given by the Company. We are informed that the Company has not provided any security during the year.
- v) According to the information and explanations given to us the Company has not accepted any deposits, in terms of the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed there under.
- vi) The Central Government has prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 in respect of certain manufacturing activities of the Company. We have broadly reviewed such records and are of the opinion that prescribed accounts and records have been maintained.
- vii)
 - a) As per information and explanations given to us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. As informed to us, there are no outstanding statutory dues in arrears as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
 - b) We have been informed that following disputed demands in respect of VAT, Excise Duty and Income Tax have not been deposited on account of pending appeals:

Particulars	Financial years of which the matters pertains	Forum where dispute is pending	Amount (₹)
Sales Tax / VAT	2004-2005	Joint Commissioner of Sales Tax (Appeals)	45,441
Excise Duty	May 2004 to July 2004	Appellate Tribunal (CESTAT), (Delhi)	211,792
Income Tax	A.Y. 2010-2011	Appellate Tribunal (ITAT), (Delhi)	1,876,894
Income Tax	A.Y. 2011-2012	Appellate Tribunal (ITAT), (Delhi)	243,430
Income Tax	A.Y. 2012-2013	Appellate Tribunal (ITAT), (Delhi)	300,190

- viii) Based on our audit procedures and on the basis of information and explanations given to us by the management, we are of the opinion that there is no default in repayment of loans or borrowings to the financial institutions and banks as at the year end. There are no loans from Government and the Company has not issued any debentures.
- ix) As explained to us, term loans obtained during the year were applied for the purpose for which the loans were obtained by the Company. The Company has not raised any money during the year by way of initial or further public offer.
- x) Based upon the audit procedures performed and information and explanations given by the management, we report that, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit for the year ended 31st March, 2017.
- xi) According to information and explanations given to us, the managerial remuneration paid and provided by the Company during the year is in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act, 2013.
- xii) The provisions of clause (xii) of the Order are not applicable as the Company is not a Nidhi Company as specified in the clause.
- xiii) According to information and explanations given to us we are of the opinion that all related party transactions are in compliance with the Section 177 and 188 of the Companies Act, 2013. Necessary disclosures has been made in the financial statements as required by the applicable accounting standards.
- xiv) According to information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or debentures during the year.
- xv) According to information and explanations given to us, the Company has not entered into any non-cash transaction with the director or any person connected with him during the year.
- xvi) In our opinion, in view of its business activities, the Company is not required to be registered under Section 45IA of Reserve Bank of India Act, 1934.

For **O. P. BAGLA & CO.**
Chartered Accountants
Firm Registration No. 000018N

Place : Noida
Dated : 23th May, 2017

Atul Bagla
Partner
Membership No. 091885

ANNEXURE- II TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under 'Report on other Legal and Regulatory Requirements' section of our report of even date)

We have audited the internal financial controls over financial reporting of **PPAP AUTOMOTIVE LIMITED** ("the Company") as of 31st March, 2017 in conjunction with our audit of the standalone 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.

Auditors' 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 by The Institute of Chartered Accountants of India 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 applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 31st March, 2017, 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 **O. P. BAGLA & CO.**
Chartered Accountants
Firm Registration No. 000018N

Place : Noida
Dated : 23th May, 2017

Atul Bagla
Partner
Membership No. 091885

Balance Sheet as at 31st March, 2017

Amount in ₹

Particulars	Note No.	As at 31.03.2017	As at 31.03.2016
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
Share capital	1	140,000,000	140,000,000
Reserves and surplus	2	2,182,263,398	1,964,266,944
		2,322,263,398	2,104,266,944
2. Non-current liabilities			
Long-term borrowings	3	341,662,937	441,987,298
Deferred tax liabilities (net)	4	66,490,865	59,583,198
Long-term provisions	5	57,803,012	51,500,857
		465,956,814	553,071,353
3. Current liabilities			
Short-term borrowings	6	82,676,219	144,811,733
Trade payables	7	244,647,008	205,707,956
Other current liabilities	8	354,914,309	279,138,849
Short-term provisions	9	48,308,815	25,088,082
		730,546,351	654,746,620
Total		3,518,766,563	3,312,084,917
II. ASSETS			
1. Non-current assets			
Fixed assets	10		
Tangible assets		1,896,200,910	1,862,978,193
Intangible assets		63,914,193	76,829,068
Capital work-in-progress		31,754,874	4,509,678
Non-current investments	11	485,420,000	375,420,000
Long-term loans and advances	12	50,794,079	75,854,632
Other non-current assets	13	21,437,110	16,741,275
Total		2,549,521,166	2,412,332,846
2. Current assets			
Current investments	14	25,066,317	19,747
Inventories	15	230,491,953	367,015,630
Trade receivables	16	488,221,971	381,830,948
Cash and bank balances	17	22,238,831	3,365,199
Short-term loans and advances	18	203,226,325	147,520,547
Total		969,245,397	899,752,071
Grand total		3,518,766,563	3,312,084,917

Notes form an integral part of the financial statements.

As per our report of even date attached
For **O.P. Bagla & Co.**
Chartered Accountants
Firm Registration No.: 000018N

Atul Bagla
Partner
(Membership No. 091885)

Place : Noida
Date : 23rd May, 2017

For and on behalf of the Board of Directors of
PPAP Automotive Limited

Ajay Kumar Jain
Chairman & Managing Director
DIN: 00148839

Manish Dhariwal
Chief Financial Officer

Abhishek Jain
CEO & Managing Director
DIN: 00137651

Sonia Bhandari
Company Secretary



Statement of Profit and Loss for the year ended 31st March, 2017

Amount in ₹

Particulars	Note No.	Year ended 31.03.2017	Year ended 31.03.2016
Revenue			
Revenue from operations	19	3,908,666,006	3,486,060,320
Less: Excise Duty		481,673,167	458,537,206
		3,426,992,839	3,027,523,114
Other income	20	20,427,306	13,034,774
Total revenue		3,447,420,145	3,040,557,888
Expenses			
Cost of materials consumed	21	1,742,897,492	1,607,144,717
Change in inventories	22	10,856,646	(4,126,102)
Employee benefits expense	23	530,888,480	470,435,018
Other expenses	24	497,714,076	433,445,091
Total expenses		2,782,356,694	2,506,898,724
Earnings before interest, tax, depreciation and appropriations (EBITDA)		665,063,451	533,659,164
Finance cost	25	57,755,807	78,401,412
Depreciation and amortization	10	243,854,415	227,591,212
Profit / (Loss) before exceptional & extraordinary items and tax		363,453,229	227,666,541
Tax expenses:			
Current tax	26	117,486,518	53,277,031
Deferred tax		6,907,667	21,668,679
Net Profit / (Loss) for the year		239,059,044	152,720,831
Earnings per equity share:	27		
(1) Basic		17.08	10.91
(2) Diluted		17.08	10.91

Notes form an integral part of the financial statements.

As per our report of even date attached
For **O.P. Bagla & Co.**
Chartered Accountants
Firm Registration No.: 000018N

Atul Bagla
Partner
(Membership No. 091885)

Place : Noida
Date : 23rd May, 2017

For and on behalf of the Board of Directors of
PPAP Automotive Limited

Ajay Kumar Jain
Chairman & Managing Director
DIN: 00148839

Manish Dhariwal
Chief Financial Officer

Abhishek Jain
CEO & Managing Director
DIN: 00137651

Sonia Bhandari
Company Secretary

Cash Flow Statement for the year ended 31st March, 2017

Amount in ₹

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	363,453,229	227,666,540
Adjusted for		
Depreciation	243,854,415	227,591,212
Unrealized foreign exchange (gain) / loss	(7,602,205)	7,739,780
Interest received	(2,652,914)	(4,688,571)
(Profit) / Loss on sale of investment	1,570,191	(59,747)
Interest paid	57,755,807	78,401,412
Operating profit before working capital changes	656,378,522	536,650,626
Adjusted for		
(increase) / decrease in trade & other receivables	(161,972,503)	53,159,299
(increase) / decrease changes in inventories	136,523,677	(93,127,077)
Increase / (decrease) changes in trade & other payables	130,777,015	(37,816,116)
Changes in loans & advances	(1,478,395)	(12,062,686)
Cash generated from operations	760,228,316	446,804,046
Income tax paid	(90,947,570)	(37,568,787)
Cash flow before extraordinary items	669,280,746	409,235,259
Net cash from operating activities (A)	669,280,746	409,235,259
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (net) including CWIP & intangibles	(291,407,454)	(242,109,630)
Investment in joint venture	(110,000,000)	(40,000)
(Purchase of investments) / Proceeds from sale of investments (net)	(26,616,758)	40,000
Interest received	2,652,914	4,688,571
Net cash used in investing activities (B)	(425,371,298)	(237,421,059)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds / (repayments) of long term borrowings (net)	(100,324,362)	(65,073,877)
Proceeds / (repayments) of short term borrowings (net)	(62,135,515)	(25,520,869)
Investment in bank deposits	(4,695,835)	(12,823,353)
Interest paid	(57,755,807)	(78,401,412)
Net Cash used in Financing Activities (C)	(224,911,519)	(181,819,511)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	18,997,929	(10,005,310)
Cash and cash equivalents at the beginning of the year	2,505,948	12,511,258
Cash and cash equivalents at the end of the year	21,503,877	2,505,948
Components of cash and cash equivalents		
Cash on hand	623,119	2,152,126
With banks		
on current account	20,880,757	353,822
on deposit account	-	-
Total	21,503,877	2,505,948

Note: See note no. 24 for the amount spent on corporate social responsibility activities.

For **O.P. Bagla & Co.**
Chartered Accountants
Firm Registration No.: 000018N

Atul Bagla
Partner
(Membership No. 091885)

Place : Noida
Date : 23rd May, 2017

For and on behalf of the Board of Directors of
PPAP Automotive Limited

Ajay Kumar Jain
Chairman & Managing Director
DIN: 00148839

Manish Dhariwal
Chief Financial Officer

Abhishek Jain
CEO & Managing Director
DIN: 00137651

Sonia Bhandari
Company Secretary

Significant Accounting Policies

I. Basis of preparation of financial statements

These financial statements have been prepared to comply with Accounting Principles Generally accepted in India (Indian GAAP), the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements are prepared on accrual basis under the historical cost convention.

All 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 to the Companies Act, 2013. 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 the purpose of current - non current classification of assets and liabilities.

II. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

III. Fixed Assets & Depreciation

- a) Fixed assets are stated at historical cost. Cost includes freight, installation cost, duties, taxes and incidental expenses but net of recoverable taxes.
- b) Depreciation / amortization on tangible and intangible fixed assets are provided to the extent of depreciable amount on the straight line method (SLM). Depreciation is provided at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013 except on following assets, where useful life has been taken based on internal technical evaluation:

Particulars	Useful Life (in years)
Software	6
Dies and Molds	6
Technical Know How	6

- c) Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization / depletion and impairment loss, if any.

IV. Investment

Long Term Investments are carried at cost. Provision for diminution in the value of long term investment is made only if such a decline is other than temporary.

Current investments are carried at lower of cost and fair value.

V. Inventories

- i) Finished Goods have been valued at cost or net realizable value whichever is lower.
- ii) Raw Materials, Stores & Spares have been valued at cost on FIFO basis, which include purchase price, freight, duty, taxes & other incidental expenses but net of recoverable taxes.
- iii) Work-in-process is carried at cost or net realizable value whichever is lower.

VI. Revenue Recognition

- i) Sales are recognised upon delivery of products and are recorded inclusive of excise duty but net of rebates, discounts and sales tax.
- ii) Job work receipts are recorded net of Service Tax.

VII. Excise Duty / Service Tax

Excise Duty / Service Tax is accounted on the basis of both, payments made in respect of goods cleared / service provided as also provision made for goods lying in bonded warehouses.

Significant Accounting Policies

VIII. Provision for current and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961.

Deferred tax resulting from “timing difference” between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

IX. Foreign Currency Transactions

- (i) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- (ii) Monetary items denominated in foreign currencies at the year-end are restated at year end rates. In case of items which are covered by forward contracts, the difference between the year-end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.
- (iii) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account.

X. Impairment of Assets

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the profit and loss account to the extent the carrying amount exceeds recoverable amount.

XI. Employee Benefits

- (i) Short-term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- (ii) Long term employee benefits: Liability towards Gratuity and unavailed leaves has been provided on the basis of actuarial valuation.

XII. Leases

Lease arrangement where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating lease. Lease rentals under operating lease are recognized in statement of profit & loss on straight line basis.

XIII. Borrowing Cost

Borrowing costs attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets until such time the assets are substantially ready for their intended use. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

XIV. Provisions, Contingent, Liabilities & Contingent Assets

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions [excluding retirement benefit] are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

XV. Measurement of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

XVI. Unless specifically stated to be otherwise, these policies are consistently followed.

Notes on Financial Statements for the year ended 31st March, 2017

Amount in ₹

1 Share Capital	As at 31.03.2017	As at 31.03.2016
Equity Share Capital		
Authorized Capital		
20,000,000 equity share of per value of ₹ 10/- each	200,000,000	200,000,000
(Previous year 20,000,000 equity share of per value ₹ 10/- each)		
	200,000,000	200,000,000
Issued, subscribed and paid-up capital	140,000,000	140,000,000
14,000,000 equity share of per value of ₹ 10/- each fully paid up. (Previous year 14,000,000 equity share per value of ₹ 10/- each)		
	140,000,000	140,000,000

- 1.1 During the year the Company has not issued or bought back any share. Following is the reconciliation of number of shares outstanding as at the beginning and end of the year.

Particulars	As at 31.03.2017	As at 31.03.2016
	Number of Shares	Number of Shares
Balance at the beginning of the year	14,000,000	14,000,000
Issued during the year	-	-
Balance at the end of the year	14,000,000	14,000,000

- 1.2 The Company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.

- 1.3 There is no holding or subsidiary company of the Company.

- 1.4 The details of shareholders holding more than 5% equity shares in the Company:

Name of Shareholders	As at 31.03.2017		As at 31.03.2016	
	No. of shares	% held	No. of shares	% held
Ajay Kumar Jain	3,935,680	28.11	4,007,680	28.63
Abhishek Jain	1,002,404	7.16	1,002,404	7.16
Kalindi Farms Private Limited	1,834,757	13.11	1,807,591	12.91
Vinay Kumari Jain	533,890	3.81	931,890	6.66

- 1.5 The Company has not issued bonus shares or shares for a consideration other than cash in past five years .

Notes on Financial Statements for the year ended 31st March, 2017

Amount in ₹

2 Reserves and Surplus	As at 31.03.2017	As at 31.03.2016
Securities Premium Account (A)	700,000,000	700,000,000
General Reserve		
Opening balance	115,895,227	100,895,228
Add: Transferred from statement of profit & loss	-	15,000,000
Total (B)	115,895,227	115,895,228
Surplus in the statement of profit & loss		
As per last balance sheet	1,148,371,716	1,044,351,028
Add: Profit for the year	239,059,044	152,720,831
Profit available for appropriation	1,387,430,761	1,197,071,858
Less: Transferred to general reserve	-	15,000,000
Less: Interim dividend paid [dividend per share ₹ 1.25 (previous year ₹ 1)]	17,500,000	14,000,000
Less: Provision for final dividend per share ₹ nil (previous year dividend per share ₹ 1)	-	14,000,000
Less: Tax on dividend	3,562,589	5,700,142
Closing Balance (C)	1,366,368,172	1,148,371,716
Total (A)+(B)+(C)	2,182,263,398	1,964,266,944

3 Long-Term Borrowings	As at 31.03.2017	As at 31.03.2016
Secured		
Rupee Term loans		
From banks & financial institutions	305,909,085	395,938,027
Vehicle loans		
From banks	35,753,852	46,049,271
Total	341,662,937	441,987,298

Nature of security and terms of repayment for long term secured borrowings

Long term borrowings represent term loans and vehicle loans from ICICI Bank Limited and HDFC Bank Limited. Term loans are secured by 1st charge on all movable assets (present and future) of the Company. Term loans are further secured by way of equitable mortgage on factory land and building of the Company situated at Surajpur, Greater Noida. The charges are ranked pari-passu with the charges shared with other banker.

Bank Name	Terms of Repayment	Repayment Start Period	Repayment End Period	Rate of Interest
ICICI Bank Limited		30-Jun-13	31-Mar-18	ICICI bank MCLR+0.80% p.a. Presently 9.90%
ICICI Bank Limited	Repayable in 20 quarterly installments	30-Jun-15	31-Mar-20	ICICI bank MCLR+0.10% p.a. Presently 9.20%
HDFC Bank Limited		24-Oct-14	24-Jul-19	HDFC bank MCLR rate+0% p.a. Presently 8.90%

Loan of ₹ 130,909,085 (previous year ₹ 80,938,027) from State Owned Corporation viz. The Pradeshia Industrial & Investment Corporation of U.P. Limited is secured by bank guarantee equivalent to 100% of loan amount. The loan is free of interest and shall be repaid in one installment after seven years from the date of disbursement i.e. 29.10.2015 for ₹ 80,938,027 and 27.12.2016 for ₹ 49,971,058.

Vehicle loans are secured against respective assets financed from ICICI Bank Limited and HDFC Bank Limited. Vehicle loans are repaid in monthly installments.

There is no default in repayment of interest and principal on above loans.

Notes on Financial Statements for the year ended 31st March, 2017

Amount in ₹

4	Deferred Tax Liabilities / (Assets)	As at 31.03.2017	As at 31.03.2016
	Deferred tax liability		
	Related to depreciation on fixed assets	79,469,903	68,446,516
	Deferred tax asset		
	Disallowances under the Income Tax Act, 1961	12,979,038	8,863,318
	Net deferred tax liability / (assets)	66,490,865	59,583,198
	The deferred tax credit / (charge) for the year has been recognized in the statement of profit & loss for the year.		
5	Long-Term Provisions	As at 31.03.2017	As at 31.03.2016
	Provision for employee benefits		
	Gratuity	49,005,790	43,579,005
	Leave encashment	8,797,222	7,921,852
	Total	57,803,012	51,500,857
6	Short-Term Borrowings	As at 31.03.2017	As at 31.03.2016
	Secured		
	Working capital loans from banks	82,676,219	133,679,579
	Secured by hypothecation of inventories, book debts, other current assets, factory land and building at B-206A, Sector-81, Phase-II, Noida.		
	Buyers Credit Loan from bank	-	11,132,154
	Secured by hypothecation of inventories, book debts, other current assets, factory land and building at B-206A, Sector-81, Phase-II, Noida.		
	Total	82,676,219	144,811,733
	There is no default in repayment of interest on above loans		
7	Trade Payables	As at 31.03.2017	As at 31.03.2016
	Dues to Micro & Small Enterprises (refer Note No. 36)	9,014,891	17,501,962
	Other Trade Payables	235,632,116	188,205,994
	Total	244,647,008	205,707,956

Notes on Financial Statements for the year ended 31st March, 2017

Amount in ₹

8 Other Current Liabilities	As at 31.03.2017	As at 31.03.2016
Current maturity of long-term debt: Secured		
Term loans from banks	140,000,000	140,000,000
Vehicle loans from banks	20,137,980	16,754,562
Interest accrued, but not due on borrowings	1,365,754	2,158,409
Amount payable in respect of purchase of fixed assets	37,726,704	16,228,713
Unpaid dividends	648,525	782,996
Security deposits	314,231	150,400
Statutory dues	22,153,278	23,256,380
Advance from customers	113,034,657	77,146,487
Provision for expenses	19,533,180	2,660,902
Total	354,914,309	279,138,849

9 Short-Term Provisions	As at 31.03.2017	As at 31.03.2016
Provision for employee benefits:		
Gratuity	4,742,664	4,450,772
Leave encashment	1,745,685	1,360,571
Provision for tax (net of advance tax ₹ 65,121,681)	39,573,297	-
Provision for dividend	-	14,000,000
Provision for tax on dividend	-	2,850,071
Provision for excise duty on closing stock of finished goods	2,247,169	2,426,668
Total	48,308,815	25,088,082

Notes on Financial Statements for the year ended 31st March, 2017

Amount in ₹

10 Fixed Assets

Sr. No.	Name of Assets	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		Balance as on 01.04.2016	Additions During the year	Sale / adjustment	Total as on 31.03.2017	Balance as on 01.04.2016	During the year	Sale / adjustment	Balance as on 31.03.2017	Balance as on 31.03.2016
(A)	Tangible Assets									
	Land	157,597,404	4,325,356	-	161,922,760	11,067,030	-	-	11,067,030	150,855,730
	Factory Building	679,553,029	8,209,917	-	687,762,946	113,053,472	23,840,594	-	136,894,066	550,868,884
	Plant & Machinery	1,488,751,884	191,873,298	7,040,807	1,673,760,454	616,971,119	132,376,993	1,168,884	748,192,266	925,568,187
	Furniture & fixtures	46,561,621	3,323,057	-	49,708,598	14,005,023	4,245,955	-	18,237,940	31,470,659
	Vehicle	130,890,944	24,905,238	4,476,994	151,319,187	38,379,669	14,596,948	2,513,682	50,462,935	100,856,252
	Office Equipment	39,355,193	5,033,198	-	44,388,391	22,491,434	5,497,499	-	27,988,933	16,399,457
	Dies & Moulds	439,559,288	24,548,107	6,340,397	457,767,005	315,026,972	35,225,388	383,953	349,868,406	107,898,599
	Computer	38,232,455	7,527,353	-	45,759,808	26,528,904	6,947,762	-	33,476,666	12,283,141
	Total	3,020,501,816	269,745,523	17,858,198	3,272,389,148	1,157,523,623	222,731,139	4,066,520	1,376,188,242	1,896,200,910
(B)	Intangible Assets									
	Technical Know How	156,860,531	5,880,132	-	162,740,663	90,560,158	18,266,959	-	108,827,117	53,913,546
	Computer Software	26,939,691	2,328,269	-	29,267,960	16,410,995	2,856,317	-	19,267,312	10,000,648
	Total	183,800,222	8,208,401	-	192,008,623	106,971,153	21,123,276	-	128,094,429	63,914,193
(C)	Capital work in progress									
	Plant & Machinery	3,868,029	68,151,016	43,170,428	28,848,617	-	-	-	-	28,848,617
	Building Construction	641,649	2,264,608	-	2,906,257	-	-	-	-	2,906,257
	Total	4,509,678	70,415,624	43,170,428	31,754,874	-	-	-	-	31,754,874
	Grand total	3,208,811,715	348,369,549	61,028,626	3,496,152,645	1,264,494,776	243,854,415	4,066,520	1,504,282,671	1,991,869,978
	Previous year total	3,066,387,631	280,893,099	138,469,016	3,208,811,715	1,136,589,112	227,591,212	99,685,549	1,264,494,776	1,944,316,939
										1,929,798,522

Notes on Financial Statements for the year ended 31st March, 2017

Amount in ₹

11	Non-Current Investments (Unquoted - trade investments)	As at 31.03.2017	As at 31.03.2016
	Investment in equity shares of joint venture companies		
	48,500,000 (previous year 37,500,000) equity shares of ₹ 10/- each of PPAP Tokai India Rubber Private Limited	485,300,000	375,300,000
	Investment in equity shares of associates		
	4,000 (previous year 4,000) equity shares of ₹ 10/- each of PPAP Automotive Chennai Private Limited	40,000	40,000
	4,000 (previous year 4,000) equity shares of ₹ 10/- each of PPAP Automotive Technology Private Limited	40,000	40,000
	4,000 (previous year 4,000) equity shares of ₹ 10/- each of PPAP Automotive Systems Private Limited	40,000	40,000
	Total	485,420,000	375,420,000
12	Long-Term Loans and Advances (unsecured and considered good)	As at 31.03.2017	As at 31.03.2016
	Capital advances	27,991,000	25,439,000
	Security deposits	17,510,333	18,036,430
	Other loans and advances:		
	Prepaid expenses	5,292,746	5,840,254
	Advance tax (previous year ₹ 46,348,410)	-	12,354,234
	MAT credit entitlement	-	14,184,714
	Total	50,794,079	75,854,632
13	Other Non-Current Assets	As at 31.03.2017	As at 31.03.2016
	Bank deposits (having maturity more than 12 months; held as security against letter of credit and bank guarantees)	21,437,110	16,741,275
	Total	21,437,110	16,741,275
14	Current Investments (Quoted-other investments)	As at 31.03.2017	As at 31.03.2016
	Investment in mutual funds:		
	Birla Sunlife cash plus (3,511 units, Market Value ₹ 55,101; previous year 84 units, Market Value ₹ 20,296)	54,678	19,747
	Kotak low duration fund (12,639 units, Market Value ₹ 25,056,995; previous year nil)	25,011,639	-
	Total	25,066,317	19,747
15	Inventories	As at 31.03.2017	As at 31.03.2016
	Raw materials	139,328,340	218,011,944
	Consumables	1,431,573	1,465,830
	Finished goods	17,724,515	21,840,011
	Work-in-process	72,007,525	125,697,845
	Total	230,491,953	367,015,630

Notes on Financial Statements for the year ended 31st March, 2017

Amount in ₹

16	Trade Receivables	As at 31.03.2017	As at 31.03.2016
	Trade Receivables -unsecured (Outstanding for a period exceeding six months from the date they are due for payment)		
	Considered good	583,528	189,401
	Considered doubtful	-	-
		583,528	189,401
	Less: Provision for doubtful debts	-	-
		583,528	189,401
	Other receivables		
	Considered good	487,638,443	381,641,547
	Total	488,221,971	381,830,948
17	Cash and Bank Balances	As at 31.03.2017	As at 31.03.2016
	Cash and cash equivalents		
	Balance with banks in current account	20,880,757	353,822
	Cash on hand	623,119	2,152,126
		21,503,877	2,505,947
	Other bank balances		
	Earmarked balances with banks	734,954	859,251
	Total	22,238,831	3,365,199
18	Short-Term Loans and Advances (unsecured and considered good)	As at 31.03.2017	As at 31.03.2016
	Duty and taxes receivable	57,142,142	45,770,323
	Interest accrued but not received	42,612	-
	Staff advances	3,258,906	692,180
	Prepaid expenses	20,834,340	11,077,315
	Advance to trade payables	121,948,325	89,980,729
	Total	203,226,325	147,520,547
19	Revenue from Operations	As at 31.03.2017	As at 31.03.2016
	Sales of Products		
	Automotive Parts	3,586,124,947	3,384,630,053
	Molds	304,398,288	78,106,802
	Sales of Services		
	Income from job work and services	2,752,633	3,253,806
		3,893,275,868	3,465,990,661
	Other Operating Income		
	VAT Subsidy	15,390,138	20,069,659
	Total	3,908,666,006	3,486,060,320

Notes on Financial Statements for the year ended 31st March, 2017

Amount in ₹

20	Other Income	As at 31.03.2017	As at 31.03.2016
	Interest received	2,652,914	4,688,571
	Profit on sale of investment	1,570,191	59,747
	Rental income	8,241,269	7,524,000
	Difference of exchange rate in foreign transactions	7,602,205	-
	Miscellaneous income	360,727	762,456
	Total	20,427,306	13,034,774

21	Particulars of Material Consumed	As at 31.03.2017	As at 31.03.2016
	Raw materials	1,447,299,655	1,292,436,920
	Dyes & chemicals	17,955,309	22,412,330
	Packing materials	67,250,493	65,806,233
	Accessories	202,548,495	226,029,961
	Fabric	7,843,539	459,273
	Total	1,742,897,492	1,607,144,717

21.1 Cost of Materials Consumed

Items	2016-17		2015-16	
		(% age)		(% age)
Imported	521,480,087	29.92	472,489,439	29.40
Indigenous	1,221,417,405	70.08	1,134,655,279	70.60
	1,742,897,492	100.00	1,607,144,718	100.00

22	Changes in Inventories	As at 31.03.2017	As at 31.03.2016
	(A) Opening stock		
	Finished goods	21,840,011	24,419,327
	Work-in-process of in-house manufactured molds	38,966,920	60,184,214.35
	Work-in-process	27,333,606	21,510,701
		88,140,537	106,114,242
	(B) Closing stock		
	Finished goods	17,724,515	21,840,011
	Work-in-process of in-house manufactured molds	39,210,461	38,966,920
	Work-in-process	22,170,655	27,333,606
		79,105,631	88,140,537
	(C) Work-in-process used from / (in) fixed assets	1,821,740	(22,099,807)
	Total (A-B+C)	10,856,646	(4,126,102)

23	Employee Benefits Expense	As at 31.03.2017	As at 31.03.2016
	Salaries and wages	478,837,356	417,021,870
	Contribution to provident fund and other funds	22,615,400	20,147,256
	Staff welfare expense	29,435,724	33,265,892
	Total	530,888,480	470,435,018

Notes on Financial Statements for the year ended 31st March, 2017

Amount in ₹

- 23.1** Liability for employee benefits has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the Accounting Standard 15 (Revised), the details of which are as hereunder:

Actuarial Method

- Projected unit credit (PUC) actuarial method has been used to assess the plan's liabilities of exit employees for retirement, death-in-service and withdrawals (Resignations / Terminations).
- Under the PUC method a projected accrued benefit is calculated at the beginning of the period and again at the end of the period for each benefit that will accrue for all active members of the plan. The projected accrued benefit is based on the plan accrual formula and upon service as of the beginning or end of period, but using member's final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the projected accrued benefits as on the date of valuation.

23.2 Actuarial assumptions

Economic assumptions

The principal assumptions are the discount rate & salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities & the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been agreed by the Company:

	31.03.2017	31.03.2016
Discounting rate	7.54	8.00
Future salary increase	5.60	6.25
Expected rate of return on plan assets	-	-
Demographic assumption		
Retirement age (years)	58.00	58.00
Mortality table	IALM (2006-08)	
Ages	Withdrawal Rate (%)	
Up to 30 years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

23.3	Change in present value of obligation	31.03.2017	31.03.2016
	Gratuity (Unfunded)		
a)	Present value of obligation as at the beginning of the period	48,029,777	41,542,858
b)	Acquisition / adjustment	-	-
c)	Interest cost	3,842,382	3,219,571
d)	Past service cost		
e)	Current service cost	5,220,479	4,874,162
f)	Curtailment cost / (credit)	-	-
g)	Settlement cost / (credit)	-	-
h)	Benefits paid	(1,602,102)	(834,508)
i)	Actuarial (gain) / loss on obligation	(1,742,082)	(772,306)
j)	Present value of obligation as at the end of period	53,748,454	48,029,777

Notes on Financial Statements for the year ended 31st March, 2017

Amount in ₹

23.4	Expense recognized in the statement of profit and loss	31.03.2017	31.03.2016
	<i>Gratuity (Unfunded)</i>		
	a) Current service cost	5,220,479	4,874,162
	b) Past service cost	-	-
	c) Interest cost	3,842,382	3,219,571
	d) Expected return on plan assets	-	-
	e) Curtailment cost / (credit)	-	-
	f) Settlement cost / (credit)	-	-
	g) Net actuarial (gain) / loss recognized in the period	1,742,082	772,306
	h) Expenses recognized in the statement of profit & loss	7,320,779	7,321,427
23.5	Reconciliation statement of expense in the statement of profit and loss	31.03.2017	31.03.2016
	<i>Gratuity (Unfunded)</i>		
	a) Present value of obligation as at the end of period	53,748,454	48,029,777
	b) Present value of obligation as at the beginning of the period	48,029,777	41,542,858
	c) Benefits paid	1,602,102	834,508
	d) Actual return on plan assets	-	-
	e) Acquisition adjustment	-	-
	f) Expenses recognized in the statement of profit & loss	7,320,779	7,321,427
23.6	Movement in the Liability recognized in the Balance Sheet	31.03.2017	31.03.2016
	<i>Gratuity (Unfunded)</i>		
	a) Opening net liability	48,029,777	41,542,858
	b) Expenses as above	7,320,779	7,321,427
	c) Benefits paid	(1,602,102)	(834,508)
	d) Actual return on plan assets	-	-
	e) Acquisition adjustment	-	-
	f) Closing net liability	53,748,454	48,029,777
23.7	Change in present value of obligation related to leave encashment	31.03.2017	31.03.2016
	<i>Leave Encashment (Unfunded)</i>		
	a) Present value of obligation as at the beginning of the period	9,282,423	8,096,668
	b) Acquisition adjustment	-	-
	c) Interest cost	742,594	627,492
	d) Past service cost	-	-
	e) Current service cost	1,725,094	1,464,075
	f) Curtailment cost / (credit)	-	-
	g) Settlement cost / (credit)	-	-
	h) Benefits paid	(3,404,209)	(2,188,452)
	i) Actuarial gain / (loss) on obligation	2,197,005	1,282,640
	j) Present value of obligation as at the end of period	10,542,907	9,282,423
23.8	Expense recognized in the statement of profit and loss	31.03.2017	31.03.2016
	<i>Leave Encashment (Unfunded)</i>		
	a) Current service cost	1,725,094	1,464,075
	b) Past service cost	-	-
	c) Interest cost	742,594	627,492
	d) Expected return on plan assets	-	-
	e) Curtailment cost / (credit)	-	-
	f) Settlement cost / (credit)	-	-
	g) Net actuarial gain / (loss) recognized in the period	2,197,005	1,282,640
	h) Expenses recognized in the statement of profit & loss	4,664,693	3,374,207

Notes on Financial Statements for the year ended 31st March, 2017

Amount in ₹

23.9	Reconciliation statement of expense in the statement of profit and loss	31.03.2017	31.03.2016
	<i>Leave Encashment (Unfunded)</i>		
	a) Present value of obligation as at the end of period	10,542,907	9,282,423
	b) Present value of obligation as at the beginning of the period	9,282,423	8,096,668
	c) Benefits paid	3,404,209	2,188,452
	d) Actual return on plan assets	-	-
	e) Acquisition adjustment	-	-
	f) Expenses recognized in the statement of profit & loss	4,664,693	3,374,207
23.10	Movement in the liability recognized in the balance sheet	31.03.2017	31.03.2016
	<i>Leave Encashment (Unfunded)</i>		
	a) Opening net liability	9,282,423	8,096,668
	b) Expenses as above	4,664,693	3,374,207
	c) Benefits paid	(3,404,209)	(2,188,452)
	d) Actual return on plan assets	-	-
	e) Acquisition adjustment	-	-
	f) Closing net liability	10,542,907	9,282,423
24	Other Expenses	As at 31.03.2017	As at 31.03.2016
	Consumption of stores and spare parts	25,960,883	21,280,430
	Power and fuel	77,477,583	80,123,419
	Other manufacturing expense	50,122,717	20,576,290
	Factory expenses	15,226,557	18,609,961
	Rent	18,264,718	12,881,839
	Repair & maintenance		
	Buildings	7,613,532	10,606,416
	Machinery	29,293,153	16,838,263
	Others	17,771,029	18,155,412
	Insurance	8,119,424	5,942,581
	Excise duty on stocks	2,084,996	1,415,669
	Rates and taxes	1,146,706	2,887,193
	Payment to collaborators / royalty	35,468,534	36,556,896
	CSR expenses*	1,671,587	989,123
	Printing & stationery	10,296,278	7,500,951
	Postage & telephone expenses	7,138,000	6,490,104
	Fees & subscription	2,331,922	2,577,096
	Directors' sitting fees	1,134,209	1,021,900
	Legal & professional fees	28,468,258	27,617,299
	Bank charges	711,053	2,038,267
	Auditors' remuneration	1,695,670	1,491,987
	Travelling & conveyance	53,680,288	41,573,768
	Factory security	7,308,256	7,121,677
	Motor car expenses	2,577,290	2,844,893
	Office electricity	190,466	45,059
	Charity & donation	63,600	190,975
	Listing expenses	355,403	458,962
	Advertisement & sales promotion	4,436,776	4,791,602
	Rebate and discount	322,581	338,959
	Freight & forwarding expenses	81,283,763	68,634,529
	Difference of exchange rate in foreign transactions	-	7,739,780
	Miscellaneous expenses	5,498,844	4,103,791
	Total	497,714,076	433,445,091

* Total amount of ₹ 2,846,108 (previous year ₹ 1,112,767) was required to be incurred towards CSR activities as per Section 135 of the Companies Act, 2013. The Company has incurred ₹ 1,671,587 (previous year ₹ 989,123) during the financial year in the field of education and healthcare.

Notes on Financial Statements for the year ended 31st March, 2017

Amount in ₹

24.1	Auditors' Remuneration	As at 31.03.2017	As at 31.03.2016
	As audit fee	700,010	490,000
	For tax audit, certification & tax representation	832,500	640,000
	For other matters	136,000	343,498
	For reimbursement of expenses	27,160	18,489
	Total	1,695,670	1,491,987
25	Finance Cost	As at 31.03.2017	As at 31.03.2016
	Interest expenses	49,018,107	76,599,228
	Other borrowing costs	8,737,700	1,802,184
	Total	57,755,807	78,401,412
26	Current Tax	As at 31.03.2017	As at 31.03.2016
	Provision for tax on income	108,415,286	74,178,419
	Short / (excess) Provision for earlier year	(5,113,482)	6,928,621
	Adjustment for MAT credit entitlement	14,184,714	(27,830,009)
	Total	117,486,518	53,277,031
27	Earning Per Share (Eps) (Basic & Diluted)	As at 31.03.2017	As at 31.03.2016
	Profit attributable to the Equity Shareholders	239,059,043	152,720,831
	Number of equity shares	14,000,000	14,000,000
	Earning per share (basic / diluted)	17.08	10.91
28	Dividends Paid and Proposed	As at 31.03.2017	As at 31.03.2016
A	Proposed for approval at the annual general meeting (recognised as a liability):		
	Final dividend for FY 2015-16: ₹ 1 per share (including dividend distribution tax of ₹ 2,850,071)	-	16,850,071
		-	16,850,071
B	Proposed for approval at the annual general meeting (not recognised as a liability):		
	Final dividend for FY 2016-17: ₹ 1.25 per share (Including dividend distribution tax of ₹ 4,987,624)	29,487,624	-
		29,487,624	-
C	Proposed and paid during the year:		
	Interim dividend for FY 2016-17 ₹ 1.25 per share; (previous year ₹ 1 per share) (Including dividend distribution tax of ₹ 3,562,589, previous year ₹ 2,850,071)	21,062,589	16,850,071
		21,062,589	16,850,071

Note: pursuant to amendment in AS 4 'Contingencies and Events Occurring After the Balance Sheet Date', no provision is required to be created for dividend proposed by the Board of Directors but subject to shareholders' approval.

Notes on Financial Statements for the year ended 31st March, 2017

Amount in ₹

29	Earnings in Foreign Exchange	As at 31.03.2017	As at 31.03.2016
	FOB value of exports	546,046	804,191
	Total	546,045	804,191

30	Value of import on C I F basis	As at 31.03.2017	As at 31.03.2016
	Raw material	480,109,379	484,773,026
	Stores & spares	9,839,238	2,460,010
	Capital goods	120,181,442	64,147,716
	Total	610,130,059	551,380,753

31	Expenditure in Foreign Currency	As at 31.03.2017	As at 31.03.2016
	Payment to collaborators	45,482,666	42,452,352
	Foreign travel	7,627,237	6,308,366
	Total	53,109,903	48,760,718

32 Foreign Currency Exposures which are not hedged as at balance sheet date

Particulars	USD	JPY	EURO
31st March, 2017			
Trade payables - foreign currency	82,207	49,148,287	-
Trade payables - INR	5,330,209	28,486,347	-
Receivables / Advances - foreign currency	176,557	54,281,200	-
Receivables / Advances - INR	11,447,709	31,461,384	-
31st March, 2016			
Trade payables - foreign currency	35,789	68,829,519	-
Trade payables - INR	2,493,343	393,112,320	-
Receivables / Advances - foreign currency	129,294	9,052,020	9,832
Receivables / Advances - INR	8,684,141	5,296,246	744,388

Notes on Financial Statements for the year ended 31st March, 2017

Amount in ₹

33 Related Party Disclosures

33A Related Party Transactions, as required by Accounting Standard - 18, "Related Party Disclosures"

Related Parties in the group where common control exists:

Kalindi Farms Private Limited

Key Management Personnel of the Company:

Mr. Ajay Kumar Jain - Chairman & Managing Director

Mr. Abhishek Jain - Chief Executive Officer & Managing Director

Joint Ventures:

PPAP Tokai India Rubber Private Limited

Associate Companies:

PPAP Automotive Chennai Private Limited

PPAP Automotive Technology Private Limited

PPAP Automotive Systems Private Limited

Relatives of the Key Management Personnel:

Mrs. Vinay Kumari Jain

33B Summary of the transactions with the above related parties in the ordinary course of business is as follows:

Nature of transaction	Related Parties where common control exists		Joint Ventures		Key Management Personnel and relatives of the Key Management Personnel		Associates	
	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16
Material / license purchases- PPAP Tokai India Rubber Private Limited.	-	-	178,341	-	-	-	-	-
Sales- PPAP Tokai India Rubber Private Limited.	-	-	3,441,173	2,982,791	-	-	-	-
Rent & lease charges paid- Kalindi Farms Private Limited	8,190,000	8,197,320	-	-	-	-	-	-
Remuneration Paid:								
Mr. Ajay Kumar Jain- Chairman & Managing Director	-	-	-	-	14,030,972	4,283,500	-	-
Mr. Abhishek Jain-CEO & Managing Director	-	-			16,430,972	5,347,220	-	-
Sitting fee paid-Mrs. Vinay Kumari Jain	-	-	-	-	260,000	260,000		
Investment in equity shares- PPAP Automotive Systems Private Limited	-	-	-	-	-	-	-	40,000
Receipts for other services*- PPAP Tokai India Rubber Private Limited	-	-	37,671,455	31,579,294	-	-	-	-
Balance outstanding at the year end:								
Amount Recoverable from PPAP Tokai India Rubber Private Limited	-	-	3,550,302	1,359,811	-	-	-	-

*Other Services include management support fee, reimbursement of expenses, job work charges and rental income.

Notes on Financial Statements for the year ended 31st March, 2017

Amount in ₹

34 Segment Reporting

Manufacturing of automotive components is the Company's only business segment and domestic operations is the only significant geographical segment and hence disclosure of segment wise information is not applicable under accounting standard 17 – "Segment Reporting".

35	Contingent Liabilities & Commitments	As at 31.03.2017	As at 31.03.2016
	Contingent Liabilities not provided for in respect of:		
	Letters of guarantees	143,579,085	80,938,027
	Letters of credit	26,661,600	9,821,678
	Assignment of receivables	43,692,852	-
	Income tax appeal		
	For assessment year 2003-04	-	55,655
	For assessment year 2010-11	1,876,894	1,876,894
	For assessment year 2011-12	243,430	243,430
	For assessment year 2012-13	300,190	300,190
	Sales tax / VAT/ Entry tax	45,441	45,441
	Civil suit	8,455,357	8,455,357
	Central excise	211,792	7,283,858
	Demand towards delay in commencement of production alongwith stipulated investment Company's plant at Pathredi claimed by RIICO	10,357,127	10,357,127
	Commitments:		
	Retention charges and capital commitments (net of advances)	79,158,708	54,102,374

Notes:

- (i) A demand of ₹ 55,655 has been raised for the assessment year 2003-04. The appeal was pending before the Hon'ble CIT Appeal. The appeal has been decided in our favour and Hon'ble CIT Appeal deleted the demand.
- (ii) A demand of ₹ 2,939,730 has been raised for the assessment year 2010-11. The Hon'ble CIT(A) has partly allowed the appeal in our favour. However department has filed the Appeal with ITAT(Delhi) against the order of the allowability of the royalty amount. Balance liability of ₹ 1,062,836 has been accepted and paid by the Company.
- (iii) A demand of ₹ 243,430 has been raised for the assessment year 2011-12. The Hon'ble CIT(A) has decided the case in our favour. However department has filed the Appeal with ITAT (Delhi) against the order of the allowability of the royalty amount.
- (iv) A demand of ₹ 300,190 has been raised for the assessment year 2012-13. The Hon'ble CIT(A) has decided the case in our favour. The department has filed an appeal with ITAT (Delhi)
- (v) Central sales tax assessment for the assessment year 2004-05 was completed and a balance demand of ₹ 45,441 was raised by the department. Appeal against the same is pending before the Joint Commissioner of Sales Tax (Appeals) and stay granted vide order no F/PA/Jt. Comm. (KDU) /02/Stay/ 410-411 dated 18.08.06.
- (vi) A demand of ₹ 8,455,357 had been raised by BSES Rajdhani Ltd. for making payments of arrears for the misuse of electricity. The Company had filed a suit against BSES with District Court and won the case in its favour. However, BSES has filed an appeal with Hon'ble High Court but the notice for listing the matter not received from the court.

Notes on Financial Statements for the year ended 31st March, 2017

Amount in ₹

- (vii) Demand of excise duty of ₹ 105,896 along with penalty of ₹ 1,05,896 was imposed on the Company by Additional Commissioner, Central Excise, Delhi, for Cenvat credit taken on payment of duty through DEPB license, under the Central Excise Act, 1944. The Company had filed an appeal against the aforesaid order with Commissioner of Central Excise, Okhla. The Commissioner of central excise has rejected the appeal. Thereafter, the Company has filed the appeal with the Central Excise & Service Tax Appellate Tribunal (CESTAT) and the appeal is pending.
- (viii) Demand of excise duty of ₹ 7,072,066 was imposed on the Company by Additional Commissioner, Central Excise, Delhi, for Cenvat credit taken on payment of duty through DEPB license, under the Central Excise Act, 1944 and was outstanding as on 31.03.2016. The Company had filed the appeal with the Central Excise & Service Tax Appellate Tribunal (CESTAT) and CESTAT has decided the case in favour of Company and set aside the demand.
- (ix) RIICO has raised a demand of ₹ 10,357,127 towards additional cost of land due to delay in commencement of production activities at its plant at Pathredi.

36	Dues to Micro & Small Enterprises #	As at 31.03.2017	As at 31.03.2016
	Principal amount outstanding	9,014,891	17,501,962
	Interest due on (1) above and the unpaid interest	-	-
	Interest paid on all delayed payments under MSMED Act	-	-
	Payment made beyond the appointed date during the year	-	-
	Interest due and payable for the period of delay other than (3) above	-	-
	Interest accrued and remaining unpaid	-	-
	Amount of further interest remaining due and payable in succeeding years	-	-
	# The details of amounts outstanding to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 are as per the available information with the Company.		

37	Details of Specified Bank Notes (SBN) held and transacted during the period from 8 th November, 2016 to 30 th December, 2016:			
	Particulars	SBNs	Other Denomination Notes	Total
	Closing cash in hand as on 08.11.2016	1,154,000	818,977	1,972,977
	(+) Permitted receipts	-	1,629,515	1,629,515
	(-) Permitted payments	-	1,038,590	1,038,590
	(-) Amount deposited in Banks	1,154,000	-	1,154,000
	Closing cash in hand as on 30.12.2016	-	1,409,902	1,409,902

Notes on Financial Statements for the year ended 31st March, 2017

Amount in ₹

38	Additional Information pursuant to Para 5 of Part-II of Schedule III of the Companies Act, 2013	As at 31.03.2017	As at 31.03.2016
	Particulars of Sales & Stocks		
	Opening Stock		
	Automotive Parts	21,840,011	24,419,327
	Sales		
	Automotive Parts	3,586,124,947	3,384,630,053
	Molds	304,398,288	78,106,802
	Closing Stock		
	Automotive Parts	17,724,515	21,840,011

39 Information under Section 186(4) of the Companies Act, 2013:

A. The Company has not provided any loan during the year.

B. Investment

There is no investment besides those shown in note no. 11 & 14.

C. The Company has not provided any Guarantee during the year.

D. The Company has not provided any security during the year.

40 Balances of certain debtors, creditors, loans and advances are subject to confirmation.

41 In the opinion of the management current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated except where indicated otherwise.

42 The previous year's figures have been regrouped / reclassified to confirm to the current year's classification.

For **O.P. Bagla & Co.**
Chartered Accountants
Firm Registration No.: 000018N

For and on behalf of the Board of Directors of
PPAP Automotive Limited

Atul Bagla
Partner
(Membership No. 091885)

Ajay Kumar Jain
Chairman & Managing Director
DIN: 00148839

Abhishek Jain
CEO & Managing Director
DIN: 00137651

Place : Noida
Date : 23rd May, 2017

Manish Dhariwal
Chief Financial Officer

Sonia Bhandari
Company Secretary

Independent Auditors' Report

TO THE MEMBERS OF PPAP AUTOMOTIVE LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of PPAP AUTOMOTIVE LIMITED (hereafter referred as the Holding Company) and its Joint venture and Associates companies (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended till date. The respective board of directors of the companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 which have been used for the purpose of preparation of consolidated financial statements by the directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated

state of affairs of the Group as at 31st March, 2017 and its consolidated profit and its consolidated cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. Companies (Auditors' Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act is not applicable on consolidated financial statements as referred in proviso to para 2 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended till date.
 - (e) On the basis of the written representations received from the directors of Holding Company and Joint Venture Company as on 31st March, 2017 taken on record by the Board of Directors of Holding Company and Joint Venture Company and the reports of auditors of associates companies, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) We are enclosing herewith a report in Annexure-I for our opinion on adequacy of internal financial controls system in place and the operating effectiveness of such controls.
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended till date, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Group has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 35 to the financial statements.
 - ii. According to the information and explanations provided to us, the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. The amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year have generally been duly transferred within prescribed time
 - iv. The Group has provided requisite disclosures in Note No. 36 of its financial statements as to holdings as well as dealings in Specified Bank Notes (SBN) during the period from 8th November, 2016 to 30th December, 2016. Based on the audit procedures and relying on the management representation, we report that the disclosures are in accordance with the books of account and records maintained by the Group.

For O. P. Bagla & Co.

Chartered Accountants

Firm Registration No. 000018N

Place : Noida
Dated : 23rd May, 2017

Atul Bagla

Partner

Membership No. 091885

ANNEXURE- I TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2017, We have audited the internal financial controls over financial reporting of **PPAP AUTOMOTIVE LIMITED** (hereinafter referred to as "the Holding Company") and its Joint venture and Associate companies (collectively referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its Joint venture and Associates companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Group'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") issued by the ICAI and the Standards on Auditing, 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. 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 auditors' 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, the Holding Company and its Joint Venture and Associates companies which are companies incorporated in India, have, 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 31st March, 2017, 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 O. P. Bagla & Co.
Chartered Accountants
Firm Registration No. 000018N

Place : Noida
Dated : 23rd May, 2017

Atul Bagla
Partner
Membership No. 091885

Consolidated Balance Sheet as at 31st March, 2017

Amount in ₹

Particulars	Note No.	As at 31.03.2017	As at 31.03.2016
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
Share capital	1	140,000,000	140,000,000
Reserves and surplus	2	2,156,375,965	1,915,328,308
		2,296,375,965	2,055,328,308
2 Non-current liabilities			
Long-term borrowings	3	341,662,937	441,987,297
Deferred tax liabilities (net)	4	66,490,865	59,583,198
Long- term provisions	5	60,330,730	52,454,882
		468,484,532	554,025,377
3 Current liabilities			
Short-term borrowings	6	82,676,219	144,811,733
Trade payables	7	273,567,064	223,290,658
Other current liabilities	8	356,247,178	280,560,279
Short-term provisions	9	50,270,805	25,308,814
		762,761,266	673,971,484
Total		3,527,621,763	3,283,325,169
II ASSETS			
1 Non-current assets			
Fixed assets	10		
Tangible assets		2,121,402,961	2,088,011,180
Intangible assets		71,855,934	84,438,638
Capital work-in-progress		63,999,843	12,079,616
Non-current investments	11	55,124	72,482
Long-term loans and advances	12	59,323,850	76,025,420
Other non-current assets	13	21,437,110	16,741,275
Total		2,338,074,822	2,277,368,611
2 Current assets			
Current investments	14	137,980,512	17,763,716
Inventories	15	257,904,913	389,508,146
Trade receivables	16	518,621,380	401,163,114
Cash and bank balances	17	35,390,509	9,918,693
Short-term loans and advances	18	239,649,627	187,602,889
Total		1,189,546,941	1,005,956,558
Grand total		3,527,621,763	3,283,325,169

Notes form an integral part of the financial statements.

As per our report of even date attached

For **O.P. Bagla & Co.**

Chartered Accountants

Firm Registration No.: 000018N

For and on behalf of the Board of Directors of

PPAP Automotive Limited

Atul Bagla

Partner

(Membership No. 091885)

Ajay Kumar Jain

Chairman & Managing Director

DIN: 00148839

Abhishek Jain

CEO & Managing Director

DIN: 00137651

Place : Noida

Date : 23rd May, 2017

Manish Dhariwal

Chief Financial Officer

Sonia Bhandari

Company Secretary



Consolidated Statement of Profit and Loss for the year ended 31st March, 2017

Amount in ₹

Particulars	Note No.	Year ended 31.03.2017	Year ended 31.03.2016
Revenue			
Revenue from operations	19	4,171,612,481	3,663,953,146
Less: Excise Duty		510,534,046	477,643,449
		3,661,078,435	3,186,309,697
Other income	20	20,883,538	10,858,336
Total revenue		3,681,961,973	3,197,168,033
Expenses			
Cost of materials consumed	21	1,866,081,893	1,706,039,834
Change in inventories	22	7,022,288	(4,618,070)
Employee benefits expense	23	565,625,814	497,790,310
Other expenses	24	533,388,856	457,362,631
Total expenses		2,972,118,851	2,656,574,705
Earnings before interest, tax, depreciation and appropriations (EBITDA)		709,843,122	540,593,328
Finance cost	25	57,766,186	78,689,658
Depreciation and amortization	10	264,072,504	246,707,220
Profit / (Loss) before exceptional & extraordinary items and tax		388,004,432	215,196,450
Tax expenses:	26		
Current tax		118,986,518	53,277,031
Deferred tax		6,907,667	21,668,679
Net Profit / (Loss) for the year		262,110,247	140,250,740
Earnings per equity share:	27		
(1) Basic		18.72	10.02
(2) Diluted		18.72	10.02

Notes form an integral part of the financial statements.

As per our report of even date attached
For **O.P. Bagla & Co.**
Chartered Accountants
Firm Registration No.: 000018N

For and on behalf of the Board of Directors of
PPAP Automotive Limited

Atul Bagla
Partner
(Membership No. 091885)

Ajay Kumar Jain
Chairman & Managing Director
DIN: 00148839

Abhishek Jain
CEO & Managing Director
DIN: 00137651

Place : Noida
Date : 23rd May, 2017

Manish Dhariwal
Chief Financial Officer

Sonia Bhandari
Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2017

Amount in ₹

Particulars	For the year ended 31.03.2017	For the year ended 31.03.2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	388,004,432	215,196,447
Adjusted for		
Depreciation	264,072,504	246,707,220
Unrealized foreign exchange (gain) / loss	(8,383,613)	7,606,016
Interest received	(2,660,656)	(4,745,558)
(Profit) / Loss on sale of investment	(1,150,035)	(1,798,982)
Interest paid	57,766,187	78,689,657
Operating profit before working capital changes	697,648,819	541,654,801
Adjusted for		
(increase) / decrease in trade & other receivables	(170,475,951)	46,798,750
(increase) / decrease changes in inventories	131,603,232	(98,632,047)
Increase / (decrease) changes in trade & other payables	147,217,413	(29,596,198)
Changes in loans & advances	(9,843,315)	(11,853,936)
Cash generated from operations	796,150,198	448,371,370
Income tax paid	(92,441,633)	(36,737,792)
Cash flow before extraordinary items	703,708,565	411,633,578
Net cash from operating activities (A)	703,708,565	411,633,578
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (net) including CWIP & intangibles	(336,801,806)	(271,917,174)
Investment in joint venture	(110,000,000)	24,714,527
(Purchase of investments) / Proceeds from sale of investments (net)	(119,050,724)	122,466
Interest received	2,660,656	4,745,558
Net cash used in investing activities (B)	(563,191,874)	(242,334,623)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	110,000,000	-
Proceeds / (repayments) of long term borrowings (net)	(100,324,362)	(65,073,877)
Proceeds / (repayments) of short term borrowings (net)	(62,135,515)	(25,520,869)
Investment in bank deposits	(4,695,835)	(12,823,353)
Interest paid	(57,766,187)	(78,689,657)
Net Cash used in Financing Activities (C)	(114,921,899)	(182,107,756)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	25,594,792	(12,808,800)
Cash and cash equivalents at the beginning of the year	9,043,008	21,851,808
Cash and cash equivalents at the end of the year	34,637,800	9,043,008
Components of cash and cash equivalents		
Cash on hand	849,854	2,458,623
With banks		
on current account	33,787,946	6,584,385
on deposit account		
Total	34,637,800	9,043,008

Note: See note no. 24 for the amount spent on corporate social responsibility activities.

For **O.P. Bagla & Co.**
Chartered Accountants
Firm Registration No.: 000018N

Atul Bagla
Partner
(Membership No. 091885)

Place : Noida
Date : 23rd May, 2017

For and on behalf of the Board of Directors of
PPAP Automotive Limited

Ajay Kumar Jain
Chairman & Managing Director
DIN: 00148839

Manish Dhariwal
Chief Financial Officer

Abhishek Jain
CEO & Managing Director
DIN: 00137651

Sonia Bhandari
Company Secretary

Significant Accounting Policies

I. Basis of preparation of financial statements

These financial statements have been prepared to comply with Accounting Principles Generally accepted in India (Indian GAAP), the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements are prepared on accrual basis under the historical cost convention.

All 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 to the Companies Act, 2013. 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 the purpose of current- non current classification of assets and liabilities.

II. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

III. Fixed Assets & Depreciation

- a) Fixed assets are stated at historical cost. Cost includes freight, installation cost, duties, taxes and incidental expenses but net of recoverable taxes.
- b) Depreciation / amortization on tangible and intangible fixed assets are provided to the extent of depreciable amount on the straight line method (SLM). Depreciation is provided at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013 except on following assets, where useful life has been taken based on internal technical evaluation:

Particulars	Useful Life (in years)
Software	6
Dies and Molds	6
Technical Know How	6

- c) Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization / depletion and impairment loss, if any.

IV. Investment

Long Term Investments are carried at cost. Provision for diminution in the value of long term investment is made only if such a decline is other than temporary.

Current investments are carried at lower of cost and fair value.

V. Inventories

- i) Finished goods have been valued at cost or net realizable value whichever is lower.
- ii) Raw materials, stores & spares have been valued at cost on FIFO basis, which include purchase price, freight, duty, taxes & other incidental expenses but net of recoverable taxes.
- iii) Work-in-process is carried at cost or net realizable value whichever is lower.

VI. Revenue Recognition

- i) Sales are recognised upon delivery of products and are recorded inclusive of excise duty but net of rebates, discounts and sales tax.
- ii) Job work receipts are recorded net of service tax.

VII. Excise Duty / Service Tax

Excise Duty / Service Tax is accounted on the basis of both, payments made in respect of goods cleared / service provided as also provision made for goods lying in bonded warehouses.

VIII. Provision for Current and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961.

Significant Accounting Policies

Deferred tax resulting from “timing difference” between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

IX. Foreign Currency Transactions

- (i) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- (ii) Monetary items denominated in foreign currencies at the year-end are restated at year end rates. In case of items which are covered by forward contracts, the difference between the year-end rate and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.
- (iii) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account.

X. Impairment of Assets

At each balance sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the profit and loss account to the extent the carrying amount exceeds recoverable amount.

XI. Employee Benefits

- (i) Short-term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- (ii) Long term employee benefits: Liability towards gratuity and unavailed leaves has been provided on the basis of actuarial valuation.

XII. Leases

Lease arrangement where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating lease. Lease rentals under operating lease are recognized in statement of profit & loss on straight line basis.

XIII. Borrowing Cost

Borrowing costs attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets until such time the assets are substantially ready for their intended use. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for Capitalization.

XIV. Provisions, Contingent, Liabilities & Contingent Assets

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions [excluding retirement benefit] are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

XV. Measurement of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

XVI. Unless specifically stated to be otherwise, these policies are consistently followed.

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

Amount in ₹

1	Share Capital	As at 31.03.2017	As at 31.03.2016
	Equity Share Capital		
	Authorized Capital		
	20,000,000 equity share of per value of ₹ 10/- each	200,000,000	200,000,000
	(Previous year 20,000,000 equity share of per value ₹10/- each)		
		200,000,000	200,000,000
	Issued, subscribed and paid-up capital	140,000,000	140,000,000
	14,000,000 equity share of per value of ₹ 10/- each fully paid up. (previous year 14,000,000 equity share per value of ₹10/- each)		
		140,000,000	140,000,000
1.1	During the year the Company has not issued or bought back any share. Following is the reconciliation of number of shares outstanding as at the beginning and end of the year.		
	Particulars	As at 31.03.2017	As at 31.03.2016
		Number of Shares	Number of Shares
	Balance at the beginning of the year	14,000,000	14,000,000
	Issued during the year	-	-
	Balance at the end of the year	14,000,000	14,000,000
1.2	The Company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.		
1.3	There is no holding or subsidiary company of the Company.		
1.4	The details of shareholders holding more than 5% equity shares in the Company.		
	Name of Shareholders	As at 31.03.2017	As at 31.03.2016
		No. of shares	No. of shares
		% held	% held
	Ajay Kumar Jain	3,935,680	4,007,680
		28.11	28.63
	Abhishek Jain	1,002,404	1,002,404
		7.16	7.16
	Kalindi Farms Private Limited	1,834,757	1,807,591
		13.11	12.91
	Vinay Kumari Jain	533,890	931,890
		3.81	6.66
1.5	The Company has not issued bonus shares or shares for a consideration other than cash in past five years.		

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

Amount in ₹

2	Reserves and Surplus	As at 31.03.2017	As at 31.03.2016
	Securities Premium Account (A)	700,000,000	700,000,000
	General Reserve		
	Opening balance	115,895,227	100,895,228
	Add: Transferred from statement of profit & loss	-	15,000,000
	Total (B)	115,895,227	115,895,228
	Surplus in the statement of profit & loss		
	As per last balance sheet	1,099,433,080	1,007,882,482
	Add: Profit for the year	262,110,247	140,250,740
	Profit available for appropriation	1,361,543,327	1,148,133,222
	Less: Transferred to general reserve	-	15,000,000
	Less: Interim dividend paid [dividend per share ₹ 1.25 (previous year ₹ 1)]	17,500,000	14,000,000
	Less: Provision for final dividend (previous year dividend per share ₹ 1)	-	14,000,000
	Less: Tax on dividend	3,562,589	5,700,142
	Closing Balance (C)	1,340,480,738	1,099,433,080
	Total (A)+(B)+(C)	2,156,375,965	1,915,328,308
3	Long-Term Borrowings	As at 31.03.2017	As at 31.03.2016
	Secured		
	Rupee Term loans		
	From banks & financial institutions	305,909,085	395,938,027
	Vehicle loans		
	From banks	35,753,852	46,049,271
	Total	341,662,937	441,987,298

Nature of security and terms of repayment for long term secured borrowings

Long term borrowings represent term loans and vehicle loans from ICICI Bank Limited and HDFC Bank Limited. Term loans are secured by 1st charge on all movable assets (present and future) of the Company. Term loans are further secured by way of equitable mortgage on factory land and building of the Company situated at Surajpur, Greater Noida. The charges are ranked pari-passu with the charges shared with other banker.

Bank Name	Terms of Repayment	Repayment Start Period	Repayment End Period	Rate of Interest
ICICI Bank Limited	Repayable in 20 quarterly installments	30-Jun-13	31-Mar-18	ICICI bank MCLR+0.80% p.a. Presently 9.90%
ICICI Bank Limited		30-Jun-15	31-Mar-20	ICICI bank MCLR+0.10% p.a. Presently 9.20%
HDFC Bank Limited		24-Oct-14	24-Jul-19	HDFC bank MCLR rate+0% p.a. Presently 8.90%

Loan of ₹ 130,909,085 (previous year ₹ 80,938,027) from State Owned Corporation, viz. The Pradeshia Industrial & Investment Corporation of U.P. Limited is secured by bank guarantee equivalent to 100% loan amount. The loan is free of interest and shall be repaid in one installment after seven years from the date of disbursement i.e. 29.10.2015 for ₹ 80,938,027 and 27.12.2016 for ₹ 49,971,058.

Vehicle loans are secured against respective assets financed from ICICI Bank Limited and HDFC Bank Limited. Vehicle loans are repaid in monthly installments.

There is no default in repayment of interest and principal on above loans.

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

Amount in ₹

4	Deferred Tax Liabilities / (Assets)	As at 31.03.2017	As at 31.03.2016
	Deferred tax liability		
	Related to depreciation on fixed assets	79,469,903	68,446,516
	Deferred tax asset		
	Disallowances under the Income Tax Act, 1961	12,979,038	8,863,318
	Net deferred tax liability / (assets)	66,490,865	59,583,198
	The deferred tax credit / (charge) for the year has been recognized in the statement of profit & loss for the year.		
5	Long-Term Provisions	As at 31.03.2017	As at 31.03.2016
	Provision for employee benefits		
	Gratuity	50,742,055	43,951,245
	Leave encashment	9,588,675	8,503,637
	Total	60,330,730	52,454,882
6	Short-Term Borrowings	As at 31.03.2017	As at 31.03.2016
	Secured		
	Working capital loans from banks	82,676,219	133,679,579
	Secured by hypothecation of inventories, book debts, other current assets, factory land and building at B-206A, Sector-81, Phase-II, Noida.		
	Buyers Credit Loan from bank	-	11,132,154
	Secured by hypothecation of inventories, book debts, other current assets, factory land and building at B-206A, Sector-81, Phase-II, Noida.		
	Total	82,676,219	144,811,733
	There is no default in repayment of interest on above loans		
7	Trade Payables	As at 31.03.2017	As at 31.03.2016
	Dues to Micro & Small Enterprises (refer Note No. 36)	9,256,570	17,727,653
	Other Trade Payables	264,310,494	205,563,005
	Total	273,567,064	223,290,658

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

Amount in ₹

8	Other Current Liabilities	As at 31.03.2017	As at 31.03.2016
	Current maturity of long-term debt: Secured		
	Term loans from banks	140,000,000	140,000,000
	Vehicle loans from banks	20,137,980	16,754,562
	Interest accrued, but not due on borrowings	1,365,754	2,158,409
	Amount payable in respect of purchase of fixed assets	37,726,704	16,480,843
	Unpaid dividends	648,525	782,996
	Security deposits	314,231	150,400
	Statutory dues	23,459,509	24,280,996
	Advance from customers	113,034,657	77,226,487
	Provision for expenses	19,559,818	2,725,586
	Total	356,247,178	280,560,279
9	Short-Term Provisions	As at 31.03.2017	As at 31.03.2016
	Provision for employee benefits:		
	Gratuity	4,774,065	4,452,266
	Leave encashment	1,790,595	1,396,269
	Provision for tax (net of advance tax ₹ 65,191,276)	41,003,702	-
	Provision for dividend	-	14,000,000
	Provision for tax on dividend	-	2,850,071
	Provision for excise duty on closing stock of finished goods	2,702,443	2,610,208
	Total	50,270,805	25,308,814

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

Amount in ₹

10 Fixed Assets

Sr. No.	Name of Assets	GROSS BLOCK			DEPRECIATION				NET BLOCK	
		Balance as on 01.04.2016	Additions During the year	Sale / adjustment	Total as on 31.03.2017	Balance as on 01.04.2016	During the year	Sale / adjustment	Balance as on 31.03.2017	Balance as on 31.03.2016
(A)	Tangible Assets									
	Land	200,969,384	4,325,356	-	205,294,740	11,979,766	-	-	11,979,766	188,989,617
	Factory Building	679,553,029	8,209,917	-	687,762,946	113,053,472	23,840,594	-	136,894,066	566,499,557
	Plant & Machinery	1,671,527,273	201,495,428	7,273,394	1,865,749,306	641,296,760	144,429,031	1,178,506	784,547,285	1,030,230,511
	Furniture & fixtures	48,377,502	3,487,742	63,750	51,801,494	14,233,795	4,425,246	2,568	18,656,473	34,143,707
	Vehicle	131,531,749	24,905,238	4,502,027	151,934,959	38,385,302	14,669,530	2,516,896	50,537,936	93,146,447
	Office Equipments	39,773,395	5,078,771	-	44,852,166	22,662,507	5,585,354	-	28,247,860	17,110,889
	Dies & Moulds	470,167,622	33,382,163	6,365,388	497,184,396	324,327,205	41,184,266	388,162	365,123,309	145,840,417
	Computer	39,760,605	7,557,961	-	47,318,566	27,278,634	7,230,282	-	34,508,916	12,050,034
	Total	3,281,660,558	288,442,574	18,204,559	3,551,898,574	1,193,217,440	241,364,303	4,086,131	1,430,495,612	2,088,011,180
(B)	Intangible Assets									
	Technical Know How	167,922,024	8,415,235	-	176,337,258	93,206,971	20,066,025	-	113,272,996	74,538,205
	Computer Software	25,702,107	2,142,200	-	27,844,307	16,410,458	2,642,176	-	19,052,634	9,900,433
	Total	193,624,130	10,557,435	-	204,181,565	109,617,429	22,708,201	-	132,325,630	84,438,638
(C)	Capital Work In Progress									
	Plant & Machinery	3,868,030	68,151,016	43,170,428	28,848,618	-	-	-	28,848,618	3,868,030
	Building Construction	8,211,586	26,939,639	-	35,151,225	-	-	-	35,151,225	8,211,586
	Total	12,079,616	95,090,656	43,170,428	63,999,844	-	-	-	63,999,843	12,079,616
	Grand total	3,487,364,304	394,090,664	61,374,987	3,820,079,982	1,302,834,869	264,072,504	4,086,131	1,562,821,242	2,184,529,433
	Previous year total	3,315,151,457	311,014,081	138,801,234	3,487,364,304	1,155,831,976	246,707,220	99,704,326	1,302,834,869	2,184,529,433

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

Amount in ₹

11	Non-Current Investments (Unquoted - trade investments)	As at 31.03.2017	As at 31.03.2016
	Investment in equity shares of associates		
	4,000 (previous year 4,000) equity shares of ₹ 10/- each of PPAP Automotive Chennai Private Limited	8,792	14,338
	4,000 (previous year 4,000) equity shares of ₹ 10/- each of PPAP Automotive Technology Private Limited	18,830	24,736
	4,000 (previous year 4,000) equity shares of ₹ 10/- each of PPAP Automotive Systems Private Limited	27,502	33,408
	Total	55,124	72,482
12	Long-Term Loans and Advances (unsecured and considered good)	As at 31.03.2017	As at 31.03.2016
	Capital advances	36,271,921	25,439,000
	Security deposits	17,759,183	18,201,280
	Other loans and advances:		
	Prepaid expenses	5,292,746	5,840,254
	Advance tax (net of income tax provisions amounting to ₹ 143,700,000 (previous year ₹ 46,348,410))	-	12,360,172
	MAT credit entitlement	-	14,184,714
	Total	59,323,850	76,025,420
13	Other Non-Current Assets	As at 31.03.2017	As at 31.03.2016
	Bank deposits (having maturity more than 12 months; held as security against letter of credit and bank guarantees)	21,437,110	16,741,275
	Total	21,437,110	16,741,275
14	Current Investments (Quoted-other investments)	As at 31.03.2017	As at 31.03.2016
	Investment in mutual funds:		
	Birla Sunlife cash plus (3,511 units, Market Value ₹ 55,101; previous year 84 units, Market Value ₹ 20,296)	54,678	19,747
	Kotak low duration fund (12,639 units, Market Value ₹ 25,056,995; previous year nil)	25,011,639	-
	Reliance liquid fund (1,948,841 units, Market Value ₹ 59,314,395, previous year 703,790 units, Market Value ₹ 18,579,803)	56,664,195	17,743,969
	ICICI Pru savings fund (591,895 units, Market Value ₹ 58,983,273, previous year nil)	56,250,000	-
	Total	137,980,512	17,763,716

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

Amount in ₹

15	Inventories	As at 31.03.2017	As at 31.03.2016
	Raw materials	161,303,355	237,180,289
	Consumables	1,431,573	1,465,830
	Finished goods	21,821,980	23,491,872
	Work-in-process	73,348,004	127,370,155
	Total	257,904,913	389,508,146
16	Trade Receivables	As at 31.03.2017	As at 31.03.2016
	Trade Receivables -unsecured Outstanding for a period exceeding six months from the date they are due for payment		
	Considered good	619,066	189,401
	Considered doubtful	-	-
		619,066	189,401
	Less: Provision for doubtful debts	-	-
		619,066	189,401
	Other receivables		
	Considered good	518,002,314	400,973,713
	Total	518,621,380	401,163,114
17	Cash and Bank Balances	As at 31.03.2017	As at 31.03.2016
	Cash and cash equivalents		
	Balance with banks In current account	33,787,946	6,584,384
	Cash on hand	849,853	2,458,624
		34,637,799	9,043,008
	Other bank balances		
	Bank deposits (having maturity more than 3 months). A lien has been marked on deposit of ₹ 25,000 (previous year ₹ 25,000)	17,756	16,434
	Earmarked balances with banks	734,954	859,251
		752,710	875,685
	Total	35,390,509	9,918,693

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

Amount in ₹

18	Short-Term Loans and Advances (unsecured and considered good)	As at	As at
		31.03.2017	31.03.2016
	Duty and taxes receivable	92,854,202	85,025,625
	Interest accrued but not received	42,612	697,180
	Staff advances	3,266,811	11,426,045
	Prepaid expenses	21,054,374	90,444,039
	Advance to trade payables	122,421,627	10,000
	Security deposits	10,000	-
	Total	239,649,625	187,602,890
19	Revenue from operations	As at	As at
		31.03.2017	31.03.2016
	Sales of Products		
	Automotive Parts	3,849,323,793	3,562,992,422
	Molds	303,613,824	77,597,532
	Sales of services		
	Income from job work and services	3,284,726	3,293,533
		4,156,222,343	3,643,883,487
	Other operating income		
	VAT Subsidy	15,390,138	20,069,659
	Total	4,171,612,481	3,663,953,146
20	Other Income	As at	As at
		31.03.2017	31.03.2016
	Interest received	2,660,656	4,745,558
	Profit on sale of investment	4,290,417	1,798,982
	Rental income	3,485,782	3,239,333
	Difference of exchange rate in foreign transactions	8,383,613	133,764
	Profit on sale of fixed assets	1,568,133	-
	Unclaimed balances written back	316,363	514,802
	Miscellaneous income	178,574	425,898
	Total	20,883,538	10,858,337

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

Amount in ₹

21	Particulars of Material Consumed	As at 31.03.2017	As at 31.03.2016
	Raw materials	1,551,264,635	1,377,299,928
	Dyes & chemicals	35,780,960	35,804,529
	Packing materials	68,644,263	66,446,143
	Accessories	202,548,495	226,029,961
	Fabric	7,843,539	459,273
	Total	1,866,081,893	1,706,039,834

21.1 Cost of Materials Consumed

Items	2016-2017		2015-2016	
		(% age)		(% age)
Imported	521,480,087	29.92	537,621,276	31.51
Indigenous	1,221,417,405	70.08	1,168,418,558	68.49
	1,742,897,492	100.00	1,706,039,834	100.00

22	Changes in inventories	As at 31.03.2017	As at 31.03.2016
	(A) Opening stock		
	Finished goods	23,491,872	26,782,194
	Work-in-process of in-house manufactured molds	38,966,920	60,184,214
	Work-in-process	29,005,917	23,471,432
		91,464,710	110,437,840
	(B) Closing stock		
	Finished goods	21,821,980	23,491,872
	Work-in-process of in-house manufactured molds	39,210,461	38,966,920
	Work-in-process	23,511,134	29,005,916
		84,543,575	91,464,708
	(C) Work-in-process used from / (in fixed assets)	101,153	(23,591,202)
	Total (A-B+C)	7,022,288	(4,618,070)

23	Employee benefits expense	As at 31.03.2017	As at 31.03.2016
	Salaries and wages	511,448,997	442,621,659
	Contribution to provident fund and other funds	23,198,660	20,696,932
	Staff welfare expense	30,978,157	34,471,719
	Total	565,625,814	497,790,310

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

Amount in ₹

- 23.1** Liability for employee benefits has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the Accounting Standard 15 (Revised), the details of which are as hereunder:

Actuarial Method

- Projected unit credit (PUC) actuarial method has been used to assess the plan's liabilities of exit employees for retirement, death-in-service and withdrawals (Resignations / Terminations).
- Under the PUC method a projected accrued benefit is calculated at the beginning of the period and again at the end of the period for each benefit that will accrue for all active members of the plan. The projected accrued benefit is based on the plan accrual formula and upon service as of the beginning or end of period, but using member's final compensation, projected to the age at which the employee is assumed to leave active service. The plan liability is the actuarial present value of the projected accrued benefits as on the date of valuation.

23.2 Actuarial assumptions

Economic assumptions

The principal assumptions are the discount rate & salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities & the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been agreed by the Company:

	31.03.2017	31.03.2016
Discounting rate	7.54	8.00
Future salary increase	5.93	6.25
Expected rate of return on plan assets	-	-
Demographic assumption		
Retirement age (years)	58.00	58.00
Mortality table	IALM (2006-08)	
Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

23.3	Change in present value of obligation Gratuity (Unfunded)	31.03.2017	31.03.2016
a)	Present value of obligation as at the beginning of the period	48,403,511	41,765,574
b)	Acquisition / adjustment	-	-
c)	Interest cost	3,872,281	3,236,832
d)	Past service cost	-	-
e)	Current service cost	5,412,945	5,021,492
f)	Curtailment cost / (credit)	-	-
g)	Settlement cost / (credit)	-	-
h)	Benefits paid	(1,735,207)	(850,904)
i)	Actuarial (gain) / loss on obligation	(437,411)	(769,483)
j)	Present value of obligation as at the end of period	55,516,119	48,403,511

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

Amount in ₹

23.4	Expense recognized in the statement of profit and loss <i>Gratuity (Unfunded)</i>	31.03.2017	31.03.2016
	a) Current service cost	5,412,945	5,021,492
	b) Past service cost	-	-
	c) Interest cost	3,872,281	3,236,832
	d) Expected return on plan assets	-	-
	e) Curtailment cost / (Credit)	-	-
	f) Settlement cost / (credit)	-	-
	g) Net actuarial (gain) / loss recognized in the period	3,046,753	775,130
	h) Expenses recognized in the statement of profit & loss	8,847,815	7,488,841
23.5	Reconciliation statement of expense in the statement of profit and loss <i>Gratuity (Unfunded)</i>	31.03.2017	31.03.2016
	a) Present value of obligation as at the end of period	55,516,119	48,403,511
	b) Present value of obligation as at the beginning of the period	48,403,511	41,765,574
	c) Benefits paid	801,978	850,904
	d) Actual return on plan assets	-	-
	e) Acquisition adjustment	-	-
	f) Expenses recognized in the statement of profit & loss	8,847,815	7,488,841
23.6	Movement in the Liability recognized in the Balance Sheet <i>Gratuity (Unfunded)</i>	31.03.2017	31.03.2016
	a) Opening net liability	48,403,511	41,765,574
	b) Expenses as above	8,847,815	7,488,841
	c) Benefits paid	(1,735,207)	(850,904)
	d) Actual return on plan assets	-	-
	e) Acquisition adjustment	-	-
	f) Closing net liability	55,516,119	48,403,511
23.7	Change in present value of obligation related to leave encashment <i>Leave Encashment (Unfunded)</i>	31.03.2017	31.03.2016
	a) Present value of obligation as at the beginning of the period	9,899,906	8,319,774
	b) Acquisition adjustment	-	-
	c) Interest cost	791,993	644,783
	d) Past service cost	-	-
	e) Current service cost	1,934,457	1,714,200
	f) Curtailment cost / (credit)	-	-
	g) Settlement cost / (credit)	-	-
	h) Benefits paid	(3,521,965)	(2,227,029)
	i) Actuarial gain / (loss) on obligation	2,274,879	1,448,178
	j) Present value of obligation as at the end of period	11,379,270	9,899,906

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

Amount in ₹

23.8	Expense recognized in the statement of profit and loss Leave Encashment (Unfunded)	31.03.2017	31.03.2016
	a) Current service cost	1,934,457	1,714,200
	b) Past service cost	-	-
	c) Interest cost	791,993	644,783
	d) Expected return on plan assets	-	-
	e) Curtailment cost / (credit)	-	-
	f) Settlement cost / (credit)	-	-
	g) Net actuarial gain / (loss) recognized in the period	2,274,879	1,448,178
	h) Expenses recognized in the statement of profit & loss	5,001,329	3,720,569
23.9	Reconciliation statement of expense in the statement of profit and loss Leave Encashment (Unfunded)	31.03.2017	31.03.2016
	a) Present value of obligation as at the end of period	11,379,270	9,899,906
	b) Present value of obligation as at the beginning of the period	9,899,906	8,319,774
	c) Benefits paid	3,521,965	2,227,029
	d) Actual return on plan assets	-	-
	e) Acquisition adjustment	-	-
	f) Expenses recognized in the statement of profit & loss	5,001,329	3,807,160
23.10	Movement in the liability recognized in the balance sheet Leave Encashment (Unfunded)	31.03.2017	31.03.2016
	a) Opening net liability	9,899,906	8,319,774
	b) Expenses as above	5,001,329	3,807,160
	c) Benefits paid	(3,521,965)	(2,227,029)
	d) Actual return on plan assets	-	-
	e) Acquisition adjustment	-	-
	f) Closing net liability	11,379,270	9,899,906
24	Other Expenses	As at 31.03.2017	As at 31.03.2016
	Consumption of stores and spare parts	29,053,913	23,301,038
	Power and fuel	85,392,576	85,348,434
	Other manufacturing expense	50,122,717	20,576,290
	Factory expenses	16,034,896	19,395,087
	Rent	17,889,530	12,501,372
	Repair & maintenance		
	Buildings	7,651,247	10,650,210
	Machinery	29,293,153	16,838,263
	Others	18,629,524	11,830,495

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

Amount in ₹

24	Other Expenses (Contd.)	As at 31.03.2017	As at 31.03.2016
	Insurance	8,350,773	6,078,719
	Excise duty on stocks	2,445,742	1,658,568
	Rates and taxes	1,554,814	3,054,479
	Payment to collaborators / royalty	39,715,396	39,482,230
	CSR expenses*	1,671,587	989,123
	Printing & stationery	10,670,750	13,254,276
	Postage & telephone expenses	7,316,751	6,637,024
	Fees & subscription	3,439,898	2,784,787
	Directors' sitting fees	1,134,209	1,021,900
	Legal & professional fees	28,533,367	27,710,635
	Bank charges	860,224	2,127,407
	Auditors' remuneration	2,037,340	1,640,512
	Travelling & conveyance	55,429,377	43,181,888
	Factory security	7,476,693	7,276,112
	Motor car expenses	2,664,995	2,959,857
	Office electricity	190,466	51,059
	Charity & donation	63,600	190,975
	Listing expenses	355,403	458,962
	Loss on sale of fixed assets	-	1,295,297
	Advertisement & sales promotion	4,501,369	4,851,645
	Loss from associates	17,359	22,554
	Rebate and discount	322,581	344,700
	Freight & forwarding expenses	95,016,327	77,889,014
	Sundry balances written off	-	13,775
	Difference of exchange rate in foreign transactions	-	7,739,780
	Miscellaneous expenses	5,552,279	4,206,164
	Total	533,388,856	457,362,631

* Total amount of ₹ 2,846,108 (previous year ₹ 1,112,767) was required to be incurred towards CSR activities as per Section 135 of the Companies Act, 2013. The Company has incurred ₹ 1,671,587 (previous year ₹ 989,123) during the financial year in the field of education and healthcare.

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

Amount in ₹

24.1	Auditors' Remuneration	As at 31.03.2017	As at 31.03.2016
	As audit fee	770,710	552,500
	For tax audit, certification & tax representation	847,500	652,500
	For other matters	391,970	417,023
	For reimbursement of expenses	27,160	18,489
	Total	2,037,340	1,640,512
25	Finance Cost	As at 31.03.2017	As at 31.03.2016
	Interest expenses	49,028,486	76,887,474
	Other borrowing costs	8,737,700	1,802,184
	Total	57,766,186	78,689,657
26	Current Tax	As at 31.03.2017	As at 31.03.2016
	Provision for tax on income	109,915,286	74,178,419
	Short / (excess) Provision for earlier year	(5,113,482)	6,928,621
	Adjustment for MAT credit entitlement	14,184,714	(27,830,009)
	Total	118,986,518	53,277,031
27	Earning Per Share (EPS) (basic & diluted)	As at 31.03.2017	As at 31.03.2016
	Profit attributable to the Equity Shareholders	262,110,249	140,273,292
	Number of equity shares	14,000,000	14,000,000
	Earning per share (basic / diluted)	18.72	10.02
28	Dividends Paid and Proposed	As at 31.03.2017	As at 31.03.2016
A	Proposed for approval at the annual general meeting (recognised as a liability):		
	Final dividend for FY 2015-16: ₹ 1 (previous year ₹ 1) per share (Including dividend distribution tax of ₹ 2,850,071, previous year ₹ 2,700,160)	-	16,850,071
		-	16,850,071
B	Proposed for approval at the annual general meeting (not recognised as a liability):		
	Final dividend for FY 2016-17: ₹ 1.75 per share (Including dividend distribution tax of ₹ 4,987,624)	29,487,624	-
		29,487,624	-

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

Amount in ₹

C	Proposed and paid during the year :		
	Interim dividend for FY 2016-17 ₹ 1.25 per share; (previous year ₹ 1 per share) (Including dividend distribution tax of ₹ 3,562,589, previous year ₹ 2,850,071)	21,062,589	16,850,071
		21,062,589	16,850,071

Note: pursuant to ammendment in AS 4 'Contingencies and Events Occurring after the Balance Sheet Date', no provision is required to be created for dividend proposed by the board of directors but subject to shareholder's approval.

29	Earnings In Foreign Exchange	As at 31.03.2017	As at 31.03.2016
	FOB value of exports	21,718,537	8,647,297
	Total	21,718,537	8,647,297

30	Value of Import on C I F basis	As at 31.03.2017	As at 31.03.2016
	Raw material	592,132,225	550,755,214
	Stores & spares	11,114,431	2,628,374
	Capital goods	146,931,387	75,899,734
	Total	750,178,042	629,283,322

31	Expenditure In Foreign Currency	As at 31.03.2017	As at 31.03.2016
	Payment to collaborators	58,513,260	47,153,485
	Foreign travel	8,340,801	6,438,625
	Total	66,854,061	53,592,110

32	Foreign Currency Exposures which are not Hedged as at Balance Sheet Date			
	Particulars	USD	JPY	EURO
	31 st March, 2017			
	Trade payables - foreign currency	237,792	52,539,113	-
	Trade payables - INR	59,236,201	30,451,670	-
	Receivables / Advances - foreign currency	179,880	25,917,709	-
	Receivables/Advances - INR	54,496,659	39,848,196	-
	31 st March, 2016			
	Trade payables - foreign currency	218,854	69,030,039	-
	Trade payables - INR	14,894,131	393,230,747	-
	Receivables / Advances - foreign currency	148,481	9,052,020	9,832
	Receivables / Advances - INR	9,968,701	5,296,246	744,388

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

Amount in ₹

33 Related Party Disclosures

33A Related Party Transactions, as required by Accounting Standard - 18, "Related Party Disclosures"

Related Parties in the group where common control exists:

Kalindi Farms Private Limited

Key Management Personnel of the Company:

Mr. Ajay Kumar Jain - Chairman & Managing Director

Mr. Abhishek Jain - Chief Executive Officer & Managing Director

Mr. Yuichi Kimura - Director

Mr. Fumikazu Hosoda - Director

Joint Ventures:

PPAP Tokai India Rubber Private Limited

Associate Companies:

PPAP Automotive Chennai Private Limited

PPAP Automotive Technology Private Limited

PPAP Automotive Systems Private Limited

Relatives of the Key Management Personnel:

Mrs. Vinay Kumari Jain

33B Summary of the transactions with the above related parties in the ordinary course of business is as follows:

Nature of transaction	Related Parties where common control exists		Joint Ventures		Key Management Personnel and relatives of the Key Management Personnel		Associates	
	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16
Material / license purchases - PPAP Tokai India Rubber Private Limited	-	-	178,341	-	-	-	-	-
Sales- PPAP Tokai India Rubber Private Limited	-	-	3,441,173	2,982,791	-	-	-	-
Rent & lease charges paid- Kalindi Farms Private Limited	8,190,000	8,197,320	-	-	-	-	-	-
Remuneration Paid:								
Mr. Ajay Kumar Jain- Chairman & Managing Director	-	-	-	-	14,030,972	4,283,500	-	-
Mr. Abhishek Jain- CEO & Managing Director	-	-	-	-	16,430,972	5,347,220	-	-
Sitting fee paid- Mrs. Vinay Kumari Jain	-	-	-	-	260,000	260,000	-	-
Investment in equity shares- PPAP Automotive Systems Private Limited	-	-	-	-	-	-	-	40,000
Receipts for other services*- PPAP Tokai India Rubber Private Limited	-	-	37,671,455	31,579,294	-	-	-	-
Balance outstanding at the year end:								
Amount Recoverable from PPAP Tokai India Rubber Private Limited	-	-	3,550,302	1,359,811	-	-	-	-

*Other Services include management support fee, reimbursement of expenses, job work charges and rental income.

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

Amount in ₹

34 Segment Reporting

Manufacturing of automotive components is the Company's only business segment and domestic operations is the only significant geographical segment and hence disclosure of segment wise information is not applicable under Accounting Standard 17 – "Segment Reporting".

35 Contingent Liabilities & Commitments	As at 31.03.2017	As at 31.03.2016
Contingent Liabilities not provided for in respect of:		
Letters of guarantees	143,579,085	80,938,027
Letters of credit	26,661,600	9,821,678
Assignment of receivables	43,692,852	-
Income tax appeal		
For assessment year 2003-04	-	55,655
For assessment year 2010-11	1,876,894	1,876,894
For assessment year 2011-12	243,430	243,430
For assessment year 2012-13	300,190	300,190
Sales tax / VAT/ Entry tax	3,883,854	45,441
Civil suit	8,455,357	8,455,357
Central excise	211,792	7,283,858
Additional cost of land claimed by RIICO	10,357,127	10,357,127
Commitments:		
Retention charges and capital commitments (net of advances)	101,063,812	54,102,374

Notes:

- (i) A demand of ₹ 55,655 has been raised for the assessment year 2003-04. The appeal was pending before the Hon'ble CIT Appeal. The appeal has been decided in our favour and Hon'ble CIT Appeal deleted the demand.
- (ii) A demand of ₹ 2,939,730 has been raised for the assessment year 2010-11. The Hon'ble CIT(A) has partly allowed the appeal in our favour. However department has filed the Appeal with ITAT (Delhi) against the order of the allowability of the royalty amount. Balance liability of ₹ 1,062,836 has been accepted and paid by the Company.
- (iii) A demand of ₹ 243,430 has been raised for the assessment year 2011-12. The Hon'ble CIT(A) has decided the case in our favour. However department has filed the Appeal with ITAT (Delhi) against the order of the allowability of the royalty amount.
- (iv) A demand of ₹ 300,190 has been raised for the assessment year 2012-13. The Hon'ble CIT(A) has decided the case in our favour. The department has filed an appeal with ITAT (Delhi).
- (v) Central sales tax assessment for the assessment year 2004-05 was completed and a balance demand of ₹ 45,441 was raised by the department. Appeal against the same is pending before the Joint Commissioner of Sales Tax (Appeals) and stay granted vide order no F/PA/Jt. Comm. (KDU) / 02/ Stay / 410-411 dated 18.08.06.
- (vi) A demand of ₹ 8,455,357 had been raised by BSES Rajdhani Ltd. for making payments of arrears for the misuse of electricity. The Company had filed a suit against BSES with District Court and won the case in its favour. However, BSES has filed an appeal with Hon'ble High Court but the notice for listing the matter not received from the court.

Notes on Consolidated Financial Statements for the year ended 31st March, 2017

Amount in ₹

- (vii) Demand of excise duty of ₹ 105,896 along with penalty of ₹ 1,05,896 was imposed on the Company by Additional Commissioner, Central Excise, Delhi, for Cenvat credit taken on payment of duty through DEPB license, under the Central Excise Act, 1944. The Company had filed an appeal against the aforesaid order with Commissioner of Central Excise, Okhla. The Commissioner of central excise has rejected the appeal. Thereafter, the Company has filed the appeal with the Central Excise & Service Tax Appellate Tribunal (CESTAT) and the appeal is pending.
- (viii) Demand of excise duty of ₹ 7,072,066 was imposed on the Company by Addl. Commissioner, Central Excise, Delhi, for Cenvat credit taken on payment of duty through DEPB license, under the Central Excise Act, 1944 and was outstanding as on 31.03.2016. The Company had filed the appeal with the Central Excise & Service Tax Appellate Tribunal (CESTAT) and CESTAT has decided the case in favour of company and set aside the demand.
- (ix) RIICO has raised a demand of ₹ 10,357,127 towards additional cost of land due to delay in commencement of production activities at its plant at Pathredi.

36	Dues to Micro & Small Enterprises #	As at 31.03.2017	As at 31.03.2016
	Principal amount outstanding	9,256,570	17,727,653
	Interest due on above and the unpaid interest	-	-
	Interest paid on all delayed payments under MSMED Act	-	-
	Payment made beyond the appointed date during the year	-	-
	Interest due and payable for the period of delay other than (3) above	-	-
	Interest accrued and remaining unpaid	-	-
	Amount of further interest remaining due and payable in succeeding years	-	-
	# The details of amounts outstanding to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 are as per the available information with the Company.		

37 Depreciation and Amortization on tangible and intangible fixed assets

The Company adopted the useful life as provided in Schedule II of the Companies Act, 2013 except in the following cases:

Particulars	Depreciation
Software	Useful life of 6 years taken on the basis of internal evaluation
Dies and moulds	Useful life of 6 years taken on the basis of internal evaluation
Technical know how	Useful life of 6 years taken on the basis of internal evaluation

38 Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016:

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	1,457,000	857,871	2,314,871
(+) Permitted receipts	-	1,891,551	1,891,551
(-) Permitted payments	-	1,072,597	1,072,597
(-) Amount deposited in Banks	1,457,000	-	1,457,000
Closing cash in hand as on 30.12.2016	-	1,676,825	1,676,825



Notes on Consolidated Financial Statements for the year ended 31st March, 2017

Amount in ₹

39	Additional Information pursuant to Para 5 of Part-II of Schedule III of the Companies Act, 2013	As at 31.03.2017	As at 31.03.2016
	Particulars of Sales & Stocks		
	Opening Stock		
	Automotive Parts	23,491,872	24,419,327
	Sales		
	Automotive Parts	3,849,323,793	3,384,630,053
	Molds	303,613,824	78,106,802
	Closing Stock		
	Automotive Parts	21,821,980	21,840,011
40	Information under Section 186(4) of the Companies Act 2013:		
	A.The company has not provided any loan during the year.		
	B. Investment		
	There is no investment besides those shown in note no. 11 & 14.		
	C. The company has not provided any Guarantee during the year.		
	D. The company has not provided any security during the year.		
41	Balances of certain debtors, creditors, loans and advances are subject to confirmation.		
42	In the opinion of the management current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated except where indicated otherwise.		
43	The previous year's figures have been regrouped / reclassified to conform to the current year's classification.		

For **O.P. Bagla & Co.**
Chartered Accountants
Firm Registration No.: 000018N

Atul Bagla
Partner
(Membership No. 091885)

Place : Noida
Date : 23rd May, 2017

For and on behalf of the Board of Directors of
PPAP Automotive Limited

Ajay Kumar Jain
Chairman & Managing Director
DIN: 00148839

Manish Dhariwal
Chief Financial Officer

Abhishek Jain
CEO & Managing Director
DIN: 00137651

Sonia Bhandari
Company Secretary

NOTES

[illegible]

NOTES

[illegible]

NOTES

[illegible]

ACCOLADES FOR 2017



★ Overall Performance Award Shield

By Maruti Suzuki India Limited

★ Certificate in Safety

By Maruti Suzuki India Limited

★ Certificate in Best HR Practices

By Maruti Suzuki India Limited

★ Environment Award 2017

for CO₂ reduction by Honda Cars India Limited

★ Bronze Award

for category of Spare Parts by Honda Motor India Private Limited

★ Second runner up in the National Level Quality Circle competition

By Honda Cars India Suppliers Club

★ Bronze Award

for Quality Circle Competition by Toyota Kirloskar Suppliers Association

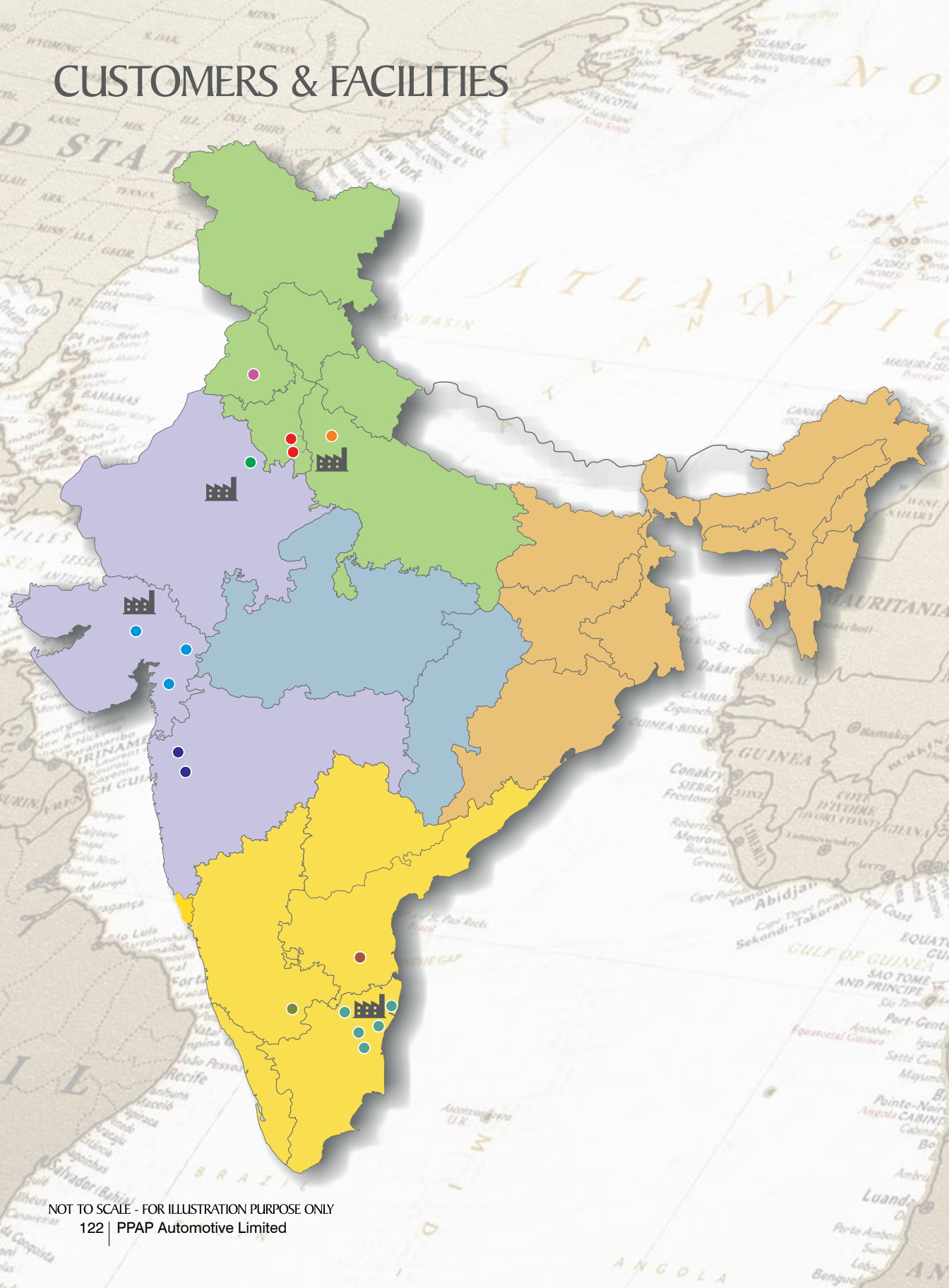
★ The Economic Times Polymers Awards

for Body Side Moulding Excellence in Automotive category in the small Enterprises

★ The Machinist Super Shopfloor Awards 2017

for Productivity category

CUSTOMERS & FACILITIES



NOT TO SCALE - FOR ILLUSTRATION PURPOSE ONLY



CUSTOMERS

Domestic Presence

International Presence



FACILITIES



Plastic Extrusion



Injection



Rubber Extrusion
PTI, IV Company



Noida I



Pathredi IV



Surajpur
PTI, IV Company

PLANTS



Noida II



Chennai V



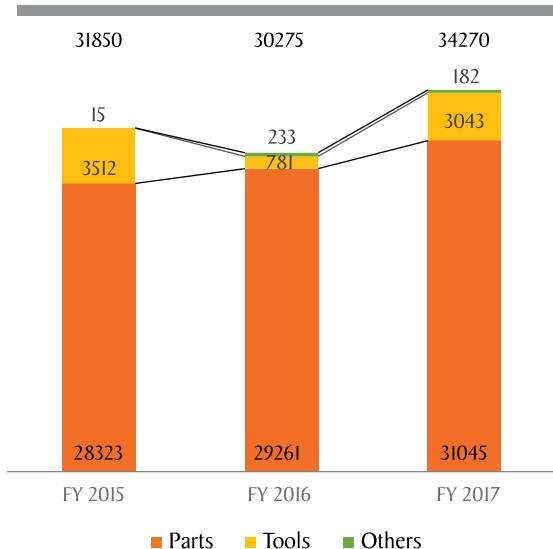
Surajpur III



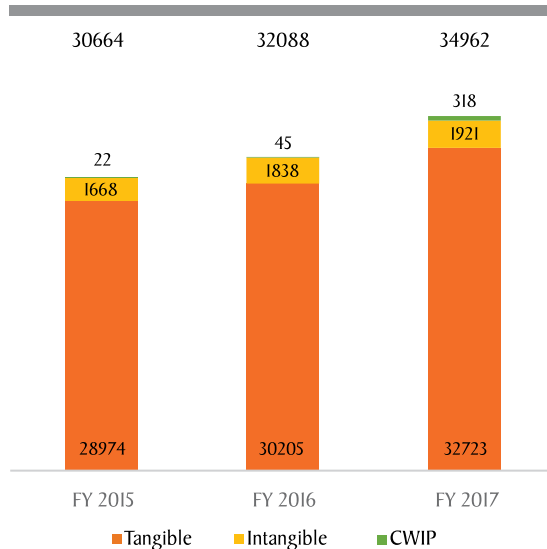
Viramgam VI

PERFORMANCE SUMMARY

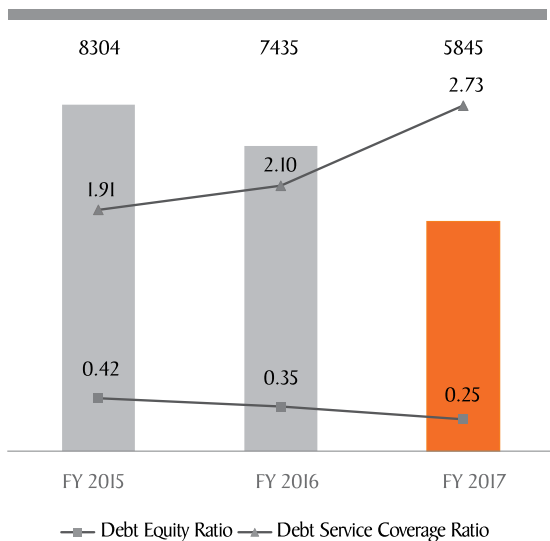
Operating Income (₹ Lacs)



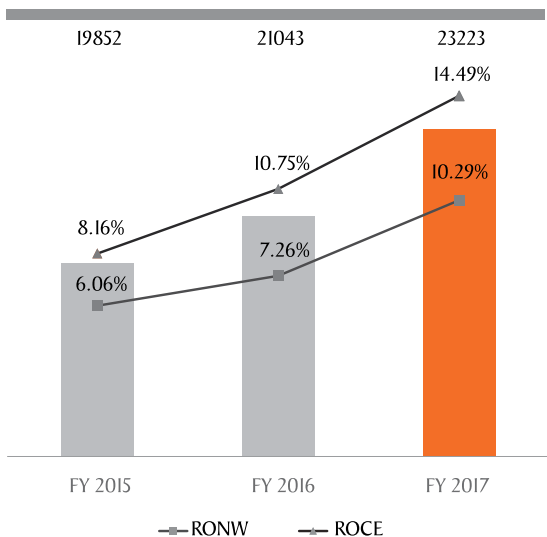
Fixed Assets (Gross Block) (₹ Lacs)



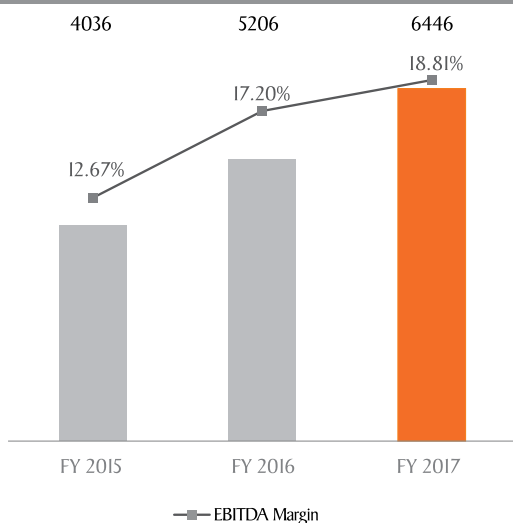
Debt (₹ Lacs)



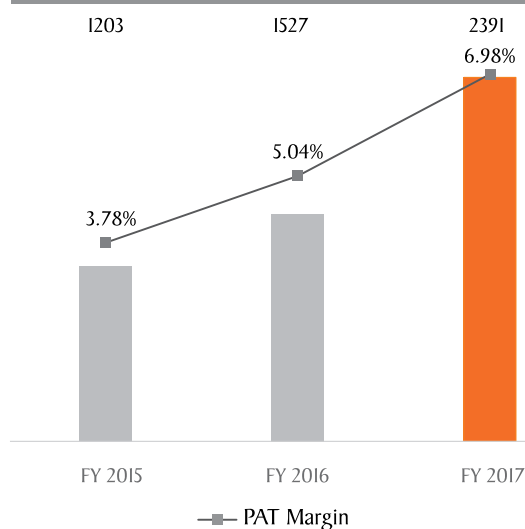
Net Worth (₹ Lacs)



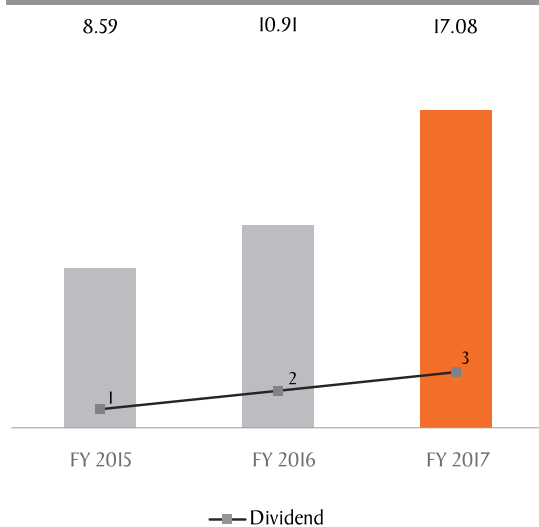
EBITDA (₹ Lacs)



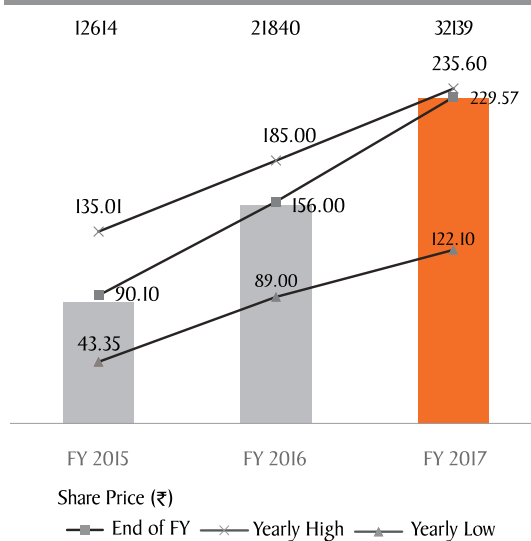
Profit After Tax (₹ Lacs)



Earning Per Share (₹)



Market Capitalisation (BSE) (₹ Lacs)





BOOK-POST



If undelivered please return to:

PPAP Automotive Limited

Registered Office: 54, Okhla Industrial Estate, Phase-III, New Delhi-110020

PPAP AUTOMOTIVE LIMITED

CIN: L74899DL1995PLC073281



Registered Office: 54, Okhla Industrial Estate, Phase-III, New Delhi-110020

Corporate Office: B-206A, Sector-81, Phase-II, Noida-201305 (U.P.)

Tel: +91-120-2462552 / 53; Fax: +91-120-2461371

Website: www.ppapco.in; E-mail ID: investorservice@ppapco.com

NOTICE

NOTICE is hereby given that the Twenty Second Annual General Meeting of the members of **PPAP Automotive Limited** will be held on **Wednesday, the 23rd day of August, 2017 at 10:30 a.m.** at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110003 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements (standalone and consolidated) of the Company for the financial year ended 31st March, 2017, together with the Reports of the Board of Directors and Auditors' thereon.
2. To confirm the payment of interim dividend and to declare final dividend on equity shares for the financial year 2016-17.
3. To appoint a Director in place of Mr. Abhishek Jain (DIN: 00137651), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 139-142 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s. O.P. Bagla & Co. (Firm Registration No. 000018N), Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the Twenty Third Annual General Meeting of the Company to be held in the year 2018 at such remuneration excluding service tax and other out-of-pocket expenses, if any, as may be mutually agreed between the Statutory Auditors and the Board of Directors of the Company."

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, the remuneration of ₹ 1,60,000 (Rupees One Lacs Sixty Thousand only) plus service tax and reimbursement of travel and out of pocket expenses as approved by the Board, to be

paid to M/s. Rakesh Singh & Co. (Firm Registration No. 000247), Cost Accountants, Cost Auditors of the Company for the financial year ended 31st March, 2018, be and is hereby ratified, confirmed and approved.

RESOLVED FURTHER THAT Mr. Ajay Kumar Jain (DIN: 00148839) Chairman & Managing Director, Mr. Abhishek Jain (DIN: 00137651), Chief Executive Officer & Managing Director, Mr. Manish Dhariwal, Chief Financial Officer and Mrs. Sonia Bhandari, Company Secretary of the Company be and are hereby severally authorized to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary to give effect to the above resolution and to do all other matters that are incidental and consequent thereto including filing application and obtaining necessary approvals as may be required."

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V of the Companies Act, 2013 and subject to the approval of Central Government or other Government Authority / Agency / Board, if any, the approval of the members be and is hereby accorded to appoint Mr. Abhishek Jain (DIN: 00137651), as the Chief Executive Officer and Managing Director of the Company, for a period of five years with effect from 1st April, 2017 to 31st March, 2022 at a remuneration as recommended by the Nomination and Remuneration Committee and set out in the explanatory statement as annexed to the notice."

RESOLVED FURTHER THAT Mr. Ajay Kumar Jain (DIN: 00148839) Chairman & Managing Director, Mr. Manish Dhariwal, Chief Financial Officer and Mrs. Sonia Bhandari, Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things as may be necessary to give effect to the above resolution and to do all other matters that are incidental and consequent thereto including filing application



and obtaining necessary approvals as may be required.”

By the order of the Board
For **PPAP Automotive Limited**

Place: Noida
Date: 23rd May, 2017

Sonia Bhandari
Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (the “MEETING” OR “AGM”) IS ALSO ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or members(s).
2. A blank Proxy Form is enclosed with this notice and if intended to be used, the Proxy Form duly stamped and completed must be deposited at the Registered / Corporate Office of the Company not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of companies, societies etc. must be supported by appropriate resolution / authority, as applicable.
3. Members / Proxies are requested to bring a copy of this notice, as no copies will be made available at the Meeting. Under no circumstances, photocopies of the admission slip will be allowed for admission into the Meeting place.
4. As a measure of economy, copies of the Annual Report will not be distributed at the Meeting place. The members are, therefore requested to bring their Annual Report. Those members who have not received the copies of Annual Report can collect their copies from the Registered / Corporate Office of the Company.
5. Member, proxies and authorised representatives should bring their attendance slips duly filled in for attending the Meeting.
6. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
7. Corporate members intending to send their authorized representatives to attend the Meeting are requested to submit a duly certified copy of the Board Resolution / Power of Attorney authorizing their representative to attend and vote on their behalf at the Meeting, pursuant to the provisions of Section 113 of the Companies Act, 2013.
8. Explanatory statement pursuant to the provisions of Section 102 of the Companies Act, 2013, in respect of item no. 4 to 6 of the notice is annexed hereto. The relevant details, in terms of Regulation 36 of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosures Requirements) Regulations, 2015, in respect of Directors proposed to be re-appointed along with his profile, are disclosed in the Corporate Governance Report forming part of the Annual Report.
9. The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, 17th August, 2017 to Tuesday, 22nd August, 2017 (both days inclusive).
10. The voting shall be reckoned in proportion to the paid up equity share capital held by the members as on Wednesday, 16th August, 2017 (cut-off date). Only those members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or e-voting at the AGM. A person who is not a member on the cut-off date should accordingly treat this notice as for information purposes only. The voting rights for the equity shares are one vote per equity share, as registered in the name of the member.
11. Final Dividend of ₹ 1.75 per equity share has been recommended by the Board of Directors, if approved by the members at the ensuing Annual General Meeting, will be paid on and after Tuesday 5th September, 2017 to those members whose names appear on the Company's Register of Members as on Wednesday, 16th August, 2017. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as at the close of business hours on Wednesday, 16th August, 2017 as per the details furnished by the Depositories, viz., National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) for the purpose as on that date. An Interim Dividend of ₹ 1.25 per equity share was paid on Monday, 21st November, 2016.
12. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants (DP) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
13. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company for registration of transfer of securities.
14. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number,



name of the bank and branch details, MICR code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their DP. Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Share Transfer Agent (RTA) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to RTA.

15. The members desirous of seeking any information on the financial statements, may write to the Company at the Registered Office for the attention to the Company Secretary, at least 10 days before the Meeting, so that the required information can be made available at the Meeting.
16. All documents referred to in the accompanying notice are available for inspection at the Registered Office of the Company, on all working days between 10.00 a.m. to 01:00 p.m. upto the date of this Meeting.
17. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will also be available for inspection by the members at the AGM.
18. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form, are advised to file nomination in the prescribed Form SH-13 with RTA. In respect of shares held in electronic / demat form, the members may please contact their respective DP.
19. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended, Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the members

are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this notice. The Company has appointed Ms. Neeta Aggarwal, Practicing Company Secretary (CP No. 13218) and partner of M/s. APAC & Associates LLP, Company Secretaries, has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- i) The voting period begins on Saturday, 19th August, 2017 (10:00 a.m. IST) and ends on Tuesday, 22nd August, 2017 (05:00 p.m. IST). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday, 16th August, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- iii) Click on Shareholders.
- iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter folio number registered with the Company.
- v) Next enter the Image verification as displayed and click on Login.
- vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii) If you are a first time user follow the steps given below:

	For members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number which is printed on attendance slip indicated in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If 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 (iv).



- viii) After entering these details appropriately, click on "SUBMIT" tab.
 - ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.
 - x) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this notice.
 - xi) Click on the EVSN for the relevant Company i.e. PPAP Automotive Limited on which you choose to vote.
 - xii) 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.
 - xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.
 - xiv) 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.
 - xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the voting page.
 - xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on forgot password & enter the details as prompted by the system.
 - xviii) Note for Non – Individual Shareholders and Custodians.
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - xix) Shareholders can also cast their vote using CDSL's mobile app m-voting available for android based mobiles. The m-voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
 - xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
20. Under Section 124 of the Companies Act, 2013, Rules made there under and other applicable provisions of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred the unpaid and unclaimed dividend amount to the IEPF.
- Details of the unpaid / unclaimed dividend are also uploaded as per the requirements, on the Company's website www.papco.in. Members, who have not encashed their dividend are advised to write to the Company immediately claiming dividends declared by the Company.
21. The Ministry of Corporate Affairs ('MCA') had notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund)

Rules, 2016, as amended ('IEPF Rules 2016'). Amongst other things, the Rules provides for the manner of transfer of the unpaid and unclaimed dividends to the IEPF and the manner of transfer of shares in case any dividend has not been encashed by the members on such shares during the last seven years to the designated Suspense Account as prescribed by the IEPF Authority.

As per the requirement of Rule 6 of the IEPF Rules 2016, the Company had sent information to all the members who had not claimed / encashed dividends in the last seven years intimating, amongst other things, the requirements of the IEPF Rules, 2016 with regard to transfer of shares and that in the event those members do not claim any unclaimed / unpaid dividends for the past seven years, the Company will be required to transfer the respective shares to the IEPF Suspense Account by the due date prescribed as per the IEPF Rules, 2016 or such other extended date as may be notified. The Company has also simultaneously published notice in the leading newspaper in English and regional language having wide circulation to such members and uploaded on the "Investors" section of the website of the Company viz. www.ppapco.in giving details of such members and shares due to transfer.

22. Members may also note that the notice of the 22nd Annual General meeting and the Annual Report for the year ended 31st March, 2017 will also be available on the Company's website at www.ppapco.in for their download. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post, free of cost. For any communication, the members may also send requests to the Company's investor email ID: investorservice@ppapco.com.
23. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form, they may download the e-mail registration form from the Company's website under the 'Investors' section for updation / registration their e-mail address.

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013.

ITEM NO. 4

M/s. O.P. Bagla & Co. (Firm Registration No. 000018N), Chartered Accountants, New Delhi, were appointed as the statutory auditors of the Company for a period of four years at the Annual General Meeting (AGM) of the Company held on 27th September, 2014, to hold office till the conclusion of Twenty Third Annual General

Meeting to be held in the year 2018.

As per the provisions of Section 139(1) of the Companies Act, 2013, their appointment for the above tenure is subject to ratification by members at every AGM.

Accordingly, ratification of the members is being sought for the proposal contained in the resolution set out at item no. 4 of the notice.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed Ordinary Resolution as set out at item no. 4 of the notice.

The Board recommends the Ordinary Resolution as set out in item no. 4 of the notice for approval by the members.

ITEM NO. 5

The Board of Directors, on the recommendation of Audit Committee, at their meeting held on 23rd May, 2017, approved the appointment and remuneration of M/s. Rakesh Singh & Co. (Firm Registration No. 000247), Cost Accountants, to conduct the audit of the cost records of the Company for the financial year 2017-18.

In terms of 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.

Accordingly, ratification of the members is being sought for the proposal contained in the resolution set out at item no. 5 of the notice.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed Ordinary Resolution as set out at item no. 5 of the notice.

The Board recommends the Ordinary Resolution as set out in item no. 5 of the notice for approval by the members.

ITEM NO. 6

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, at their meeting held on 17th March, 2017, has elevated Whole Time Director, Mr. Abhishek Jain, to the position of Chief Executive Officer and Managing Director of the Company, for a period of five years with effect from 1st April, 2017 to 31st March, 2022.

Mr. Abhishek Jain is a Bachelor of Science in Industrial Engineering from Purdue University, West Lafayette, USA.

He has an experience of over a decade in the automotive industry. He commenced his career in USA by working for an automotive company. Subsequently, he joined the Company in 2003. Since then, he has been managing all the operations of the Company. He served as the Regional Coordinator of Toyota Kirloskar



Suppliers Association from 2008 to 2015. Currently, he is a member of the Executive Committee of the Honda Suppliers Club.

He is looking after the overall operations of the Company including production, planning & control, marketing and quality control functions. He is also entrusted with the responsibility of strategy, research & development, growth, diversification and improving stakeholders wealth.

The terms and conditions of appointment Mr. Abhishek Jain (DIN: 00137651) as the Chief Executive Officer and Managing Director, of the Company are as follows:

A. Basic Salary:

₹ 3.00 lacs per month with the authority to the Board of Directors (hereinafter referred to as the 'Board' which term shall include a duly constituted Committee of Directors) to determine the salary and grant increases from time to time taking into account the performance of the Company, subject to a ceiling of ₹ 12.00 lacs per month.

B. Commission:

2% of net profit before tax of the Company as calculated under the provisions of Section 198 of the Companies Act, 2013.

C. Perquisites & Allowances:

The Chief Executive Officer and Managing Director shall be entitled to the following perquisites and benefits:

- i. Rent free residential accommodation (furnished / unfurnished) with the Company bearing the cost of repairs, maintenance and utilities (e.g. gas, electricity and water charges) or house rent allowance in lieu thereof;
- ii. Free landline telephone facility at residence along with free mobile telephone facility;
- iii. Reimbursement of actual expenditure on medical treatment for self and dependent family members, including premium paid on health insurance policies, whether in India or abroad;
- iv. Leave travel for self and dependent family members;
- v. Subscription to club fees and other expenses incurred at the club;
- vi. Medical insurance, accident insurance or any other insurance paid by the Company;
- vii. Car with driver maintained by the Company for business and personal use. In addition, the Company shall also reimburse running and maintenance expenses of another car owned by, or leased / rented to the Chief Executive Officer and Managing Director for business and personal use; and

- viii. Other perquisites / benefits / allowances subject to overall ceiling of remuneration stipulated in Section 197 or Schedule V of the Companies Act, 2013.

In addition to the above, the Chief Executive Officer and Managing Director will also be entitled to the following benefits:

- (i) Company's contribution to Provident Fund and Superannuation Fund; (ii) Payment of gratuity and other retirement benefits; and (iii) Leave encashment.

D. Other terms and conditions:

- a) In the event of absence or inadequacy of profits in any financial year during the tenure of the Chief Executive Officer and Managing Director, salary and perquisites subject to the limits stipulated under Schedule V read with Sections 196 and 197 of the Companies Act, 2013, are payable.
- b) "Family" means the spouse and dependent children of Mr. Abhishek Jain.
- c) Leave with full pay and allowances shall be allowed as per the Company's rules.
- d) The Chief Executive Officer and Managing Director shall be liable to retire by rotation.
- e) The perquisites as listed in para (C) above shall be valued as per the Income Tax Rules, 1962, wherever provided and / or applicable and in the absence of any such rules, perquisites shall be evaluated at actual cost. However, the value of perquisites will be subject to overall ceiling of remuneration stipulated under Section 197 or Schedule V of the Companies Act, 2013.

Mr. Abhishek Jain is interested in the resolution set out at item no. 6 of the notice.

Mr. Ajay Kumar Jain, who is his relative and Chairman & Managing Director and Mrs. Vinay Kumari Jain, who is his relative and Non-Executive Director of the Company and their other relatives, to the extent of their shareholding in the Company, may be deemed to be concerned or interested in the resolution set out at item no. 6.

Accordingly, approval of the members is being sought for the proposal contained in the resolution set out at item no. 6 of the notice.

Save and except the above, none of the Directors and Key Managerial Personnel and their relatives, in any way, are concerned or interested in this resolution.

The Board recommends the Special Resolution as set out in item no. 6 of the notice for approval by the members

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PPAP AUTOMOTIVE LIMITED

CIN: L74899DL1995PLC073281

Registered Office: 54, Okhla Industrial Estate, Phase-III, New Delhi-110020

Corporate Office: B-206A, Sector-81, Phase-II, Noida-201305 (U.P.)

Tel: +91-120-2462552 / 53; Fax: +91-120-2461371

Website: www.ppapco.in; E-mail ID: investorservice@ppapco.com

(To be presented at the entrance of the meeting venue)

Form MGT-11

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s):
Registered Address:
E-mail ID:
Folio / DP ID - Client ID No.:

I / We being the member(s) of _____ shares of PPAP Automotive Limited hereby appoint:

- 1 Name: _____ Address: _____
E-Mail ID: _____ Signature: _____ or failing him / her
- 2 Name: _____ Address: _____
E-Mail ID: _____ Signature: _____ or failing him / her
- 3 Name: _____ Address: _____
E-Mail ID: _____ Signature: _____ or failing him / her

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 22nd Annual General Meeting of the Company, to be held on Wednesday, 23rd August, 2017 at 10:30 a.m. at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110003 and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolutions	For	Against
Ordinary Business			
1.	Adoption of audited financial statements (standalone and consolidated) of the Company for the financial year ended 31 st March, 2017, together with the Reports of the Board of Directors and Auditors' thereon.		
2.	Confirm the payment of interim dividend and declaration of final dividend on equity shares.		
3.	Re-appointment of Mr. Abhishek Jain (DIN: 00137651), who retires by rotation and, being eligible, offers himself for re-appointment.		
4.	Ratification of the appointment of M/s. O.P. Bagla & Co. (Firm Registration No. 000018N), Chartered Accountants, as Statutory Auditors of the Company.		
Special Business			
5.	Ratification of the remuneration payable to M/s. Rakesh Singh & Co., Cost Accountants (Firm Registration No. 000247) as Cost Auditors of the Company for the financial year ending 31 st March, 2018.		
6.	Appointment of Mr. Abhishek Jain (DIN: 00137651), as Chief Executive Officer and Managing Director of the Company.		

Signed this..... day of.....20.....

Affix
revenue
stamp

Signature of Shareholder

Signature of Proxy holder(s)

Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- For the resolutions, explanatory statement and notes, please refer to the notice of the 22nd Annual General Meeting.
- It is optional to put a (✓) in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she thinks appropriate.

Route Map to the venue of the AGM

