



PPAP Automotive Limited

(Formerly Precision Pipes and Profiles Company Limited)

CIN No. L74899DL1995PLC073281

Corporate Office :

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

17th September, 2016

The Listing Department
Bombay Stock Exchange Limited
Phiroze Jeejee bhoy 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 2015-16 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**

(Formerly Precision Pipes and Profiles Company Limited)

[Signature]
for
Company Secretary



PPAP Automotive Limited

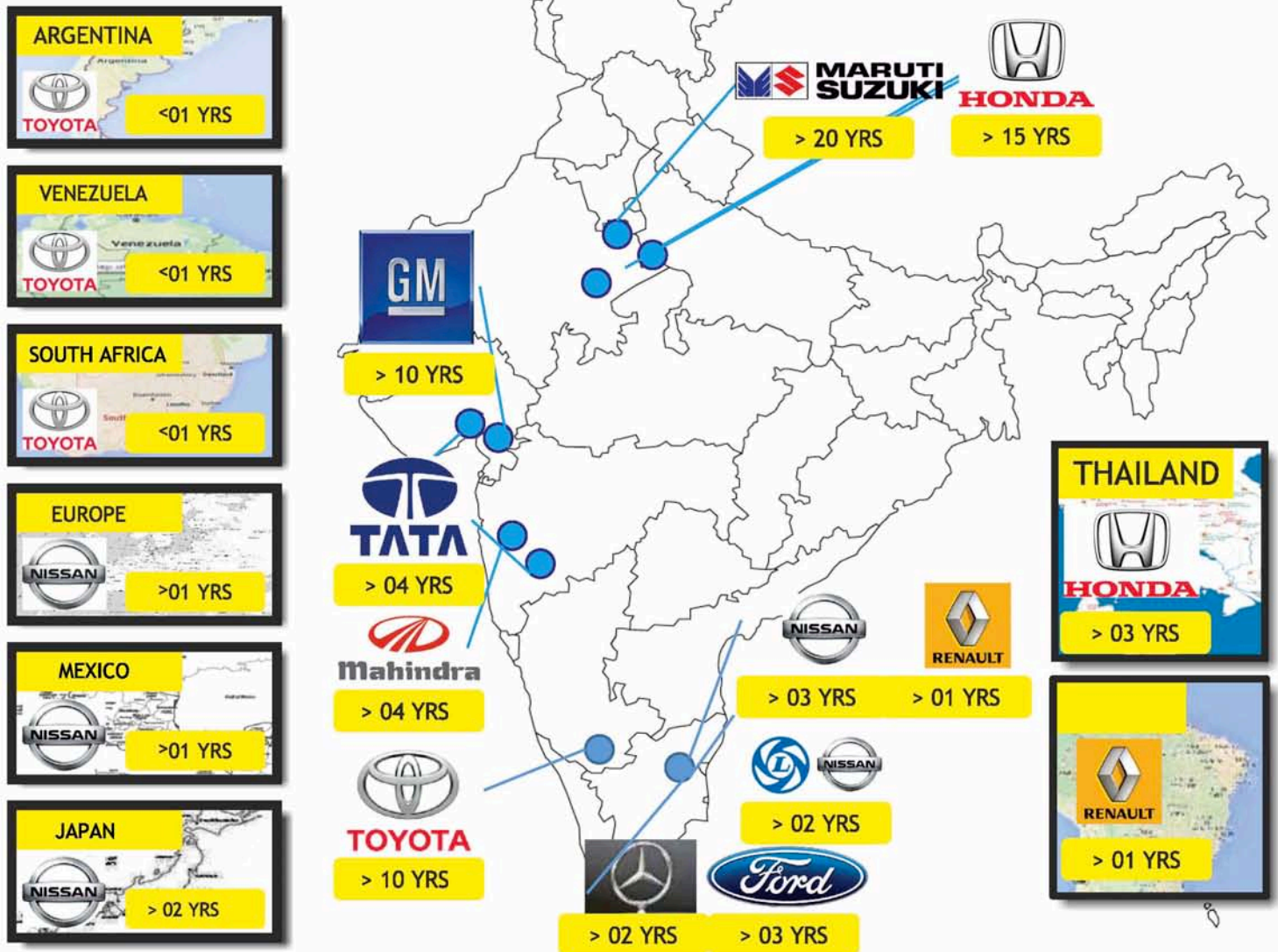
(Formerly Precision Pipes and Profiles Company Limited)

Annual Report 2015-16

Taking Challenges, Together



CUSTOMERS



CHAIRMAN'S MESSAGE

Dear Shareholders,

It gives me great pleasure to be able to communicate with you through this Annual Report 2015-16 about the performance of your Company.

During the last year, the government launched a series of initiatives to revive and also boost the Indian economy. The focus included improving the infrastructure, roads and railways, ease of doing business, creating an investor-friendly FDI policy regime, banking reforms, as well as, targeting inflation.

During the year under review, the sales of passenger vehicles in India grew by 7.24%. Within the category of passenger vehicles, passenger cars, utility vehicles and vans grew by 7.87%, 6.25% and 3.58% respectively during FY16; over the same period last year. Over the last five years, the automobile demand in India has been improving on the back of numerous new model launches. Your Company has good prospects in future too as most of the OEMs manufacturing passenger vehicles in India, are our clients.

Your Company's total Earnings before Interest, Depreciation, Tax and Amortization (EBIDTA) increased from ₹ 40.36 crores in FY15 to ₹ 52.06 crores in FY16, registering a growth of 20%. The Profit After Tax (PAT) increased by 26.93% to ₹ 15.27 crores in FY16 (from ₹ 12.03 crores in FY15). The earnings per share of the Company increased to ₹ 10.91 from ₹ 8.59 last year.

In FY16, our total dividend pay-out was ₹ 2 per share including ₹ 1 per share proposed as the final dividend. It is always our endeavor to suitably share the improved financial performance of our Company with our shareholders. PPAP believes in integrity and honesty and has built and will continue to build strong relationship with all its stakeholders.

I am also happy to share with you that your Company was awarded the Certificate for "Improvement in Quality Performance" and Certificate of Appreciation for "Spares Schedule Adherence" by Maruti Suzuki India Limited. Besides this, your Company has also received the "Overall Best Quality Award" from General Motors India and "Customer Back order Resolution Speed" Award from Honda Motors India.

Our journey on the sustainability front has continued with improved performance in governance, environmental protection and social responsiveness.

Your Company has always maintained and will continue to maintain high benchmarks for technology, quality and efficiency.

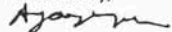
The coming year is full of better expectations. India's Gross Domestic Product (GDP) is expected to expand by 7.9% in FY17 as compared to 7.4% in FY16. All major sectors namely agriculture, industry and services are expected to contribute to the growth of Gross Value Added (GVA). The consequent increase in consumption is likely to continue through 2017; making it possible for India to sustain its position as the fastest growing economy. Going forward, PPAP is working towards growing more than the market and delivering stronger financial performance in FY17.

Your Company is fully committed towards its social responsibilities. PPAP continues to focus on the areas of "Education" and providing "Infrastructure facilities to schools" for the under privileged children. Your Company has also taken the initiative for promoting computer education. Apart from this, your Company has also contributed for Chennai's – "Flood Relief and Rehabilitation".

I would like to take this opportunity to acknowledge the contributions, dedication and commitment of all our team members which has led to our success. My deep appreciation to all our business partners, vendors and business associates, for all their contributions for our smooth operations. Finally, a special thank you to all our stakeholders for your faith and encouragement over the past several years.

We look forward to your continued support in the years ahead and commit to better financial performance in future, as well.

Yours truly,



Ajay Kumar Jain

Chairman & Managing Director





CORPORATE INFORMATION

CIN : L74899DL1995PLC073281

REGISTERED OFFICE

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

BOARD OF DIRECTORS

Mr. Ajay Kumar Jain
Chairman and Managing Director

Mr. Bhuwan Kumar Chaturvedi
Non-Executive and Independent Director

Mr. Ashok Kumar Jain
Non-Executive and Independent Director

Mr. Pravin Kumar Gupta
Non-Executive and Independent Director

Mrs. Vinay Kumari Jain
Non-Executive Director

Mr. Abhishek Jain
Executive Director

Chief Financial Officer

Mr. Manish Dhariwal

Company Secretary and Compliance Officer

Mrs. Sonia Bhandari

CORPORATE OFFICE

B-206 A, Sector-81, Phase II,
Noida-201305, Uttar Pardesh, India
Tel. No. : +91-120-2462552 / 53

Website : www.ppapco.in

Email ID : investorservice@ppapco.com

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

The Hongkong and Shanghai Banking Corporation
Limited

HDFC Bank Limited

State Bank of India

Axis Bank Limited

Yes Bank Limited

REGISTRAR AND SHARE TRANSFER AGENT

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

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DIRECTORS' REPORT

Dear Members,

PPAP Automotive Limited

Your Directors have pleasure in presenting the Twenty First Annual Report together with the audited financial statements for the year ended 31st March, 2016.

Financial highlights

(₹ in crores)

Particulars	For the year ended		
	Standalone		Consolidated
	31 st March, 2016	31 st March, 2015	31 st March, 2016
Revenue	304.06	322.64	319.72
Earnings before interest, tax, depreciation and amortization expense (EBITDA)	53.37	44.50	54.06
Less: interest	7.84	7.12	7.87
Depreciation & amortization	22.76	21.53	24.67
Profit / (loss) before extra-ordinary items and tax	22.77	15.83	21.52
Less: extraordinary items	-	-	-
Profit / (loss) before tax (PBT)	22.77	15.83	21.52
Less: Tax expenses			
current tax	5.33	2.78	5.33
deferred tax	2.17	1.02	2.17
Profit / (loss) for the period	15.27	12.02	14.02
Add : profit brought forward from previous year	104.43	95.28	100.79
Total available profits	119.70	107.3	114.81
Less: transferred to reserved	1.50	1.20	1.50
Dividend amount including dividend distribution tax	3.37	1.67	3.37
Profits carried forward to the following year	114.83	104.43	109.94

Performance of your Company

• Consolidated

Your Company recorded consolidated revenue from operations (net of excise) of ₹ 319.72 crores. The consolidated operating profit before finance costs, depreciation and tax was ₹ 54.06 crores. The consolidated profit after tax stood at ₹ 14.02 crores.

• Standalone

On a standalone basis, the revenue from operations (net of excise) was ₹ 304.06 crores in financial year 2015-16 as against ₹ 322.64 crores in financial year 2014-15. The operating profit before finance costs, depreciation and tax was ₹ 53.37 crores in financial year 2015-16, as against ₹ 44.50 crores in financial year 2014-15. Profit after tax was ₹ 15.27 crores in year 2015-16 as compared to ₹ 12.02 crores of preceding year.



Directors' Report

Dividend

During the financial year 2015-16, your Company declared and paid an interim dividend of ₹ 1/- per equity share of face value of ₹ 10/- each in the month of November, 2015. In addition, your Directors have recommend a final dividend of ₹ 1 per equity share of face value of ₹ 10/- each for the financial year 2015-16.

The final dividend, subject to approval of members, will be paid within statutory period, to the members whose names appear in the Register of Members, as per book closure. The total outgo for the current year, including proposed final dividend, amounts to ₹ 3.37 crores, including dividend distribution tax of ₹ 0.57 crore.

Transfer to reserve

Your Company has transferred ₹1.50 crores to the General Reserve from the accumulated profits.

Deposits

During the year under review, your Company has not accepted any deposits within the meaning of provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) 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

Pursuant to Section 92(3) of the Companies Act, 2013 read with rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return is annexed herewith as "Annexure - A" to this report.

Number of Board Meetings

The Board met five times during the financial year 2015-16. In terms of Section 173 of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the gap between any two meetings did not exceed one hundred and twenty days, details of which are given in the Corporate Governance Report annexed herewith as "Annexure - D" to this report.

Audit Committee

The Board has reconstituted the Audit Committee of the Company by appointing Mr. Ashok Kumar Jain, Non- Executive Director and Independent Director, as member of the Committee w.e.f 19th May, 2016. The Details of reconstitution of the Committee are given in the Corporate Governance Report, which is annexed herewith as "Annexure - D" to this report.

Directors and Key Managerial Personnel

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Vinay Kumari Jain (DIN: 05313541), retires by rotation and being eligible, offers herself for re-appointment at the ensuing Annual General Meeting.

Directors' Report

Statement on declaration given by Independent Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Directors' responsibility statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors confirm:

- i. that in the preparation of annual accounts for the financial year ended 31st March, 2016, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- ii. 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, 2016 and of the profit and loss of the Company for the financial year ended 31st March, 2016;
- iii. 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;
- iv. that the Annual Accounts for the financial year ended 31st March, 2016 have been prepared on a 'going concern basis';
- v. that the internal financial controls are adequate and are operating effectively; and
- vi. 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

In compliance with the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the performance evaluation of the Board and its Committees were carried out during the year under review, details of which are given in the Corporate Governance Report annexed herewith as "Annexure - D" to this report.

Nomination and Remuneration Policy

In accordance with the Section 178 and other applicable provisions if any, of the Companies Act, 2013 read with the rules 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 the Nomination and Remuneration Committee of the Company.

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

1. Ensuring 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. Formulate 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



Directors' Report

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 and the Board, 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 the Non-Executive Independent Directors of the Company. The Committee shall ensure that the Non- Executive Independent Director(s) 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 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

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as "Annexure - B" to this report.

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

During the financial year 2015-16, M/s PPAP Automotive Systems Private Limited became wholly owned subsidiary of your Company and ceased to be the subsidiary by 31st March, 2016. Currently, your Company holds 40% stake in the equity share capital in the mentioned company.

A Report on the performance and financial position of the Joint Venture and associates Companies as per the provisions of Companies Act, 2013 is provided in the prescribed Form AOC-I is annexed herewith as "Annexure - C" to this report.

Corporate Governance

The Company has complied with the Corporate Governance requirements as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate section on Corporate Governance, along with a certificate from M/s VLA & Associates, Company Secretaries, confirming the compliances is annexed herewith as "Annexure - D" to this report.

Directors' Report

Management Discussion and Analysis Report

The Management Discussion and Analysis Report is annexed herewith as "Annexure - E" to this report and gives details of the overall industry structure, developments, performance and state of affairs of the Company's business, internal controls and their adequacy.

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

No material changes and commitments have occurred after the close of the year till the date of this report, which affect the financial position of the Company.

Particulars of loans, guarantees and investments

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

- a) Details of investments made by the Company as on 31st March, 2016:

Investment in Equity Shares:

Name of the Companies	Amount as at 31 st March, 2016 (in ₹)
PPAP Tokai India Rubber Private Limited	375,000,000
PPAP Automotive Chennai Private Limited	40,000
PPAP Automotive Technology Private Limited	40,000
PPAP Automotive Systems Private Limited	40,000

- b) 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 issued thereunder.

Related party transactions

During the financial year 2015-16, your Company has entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014, which were in the ordinary course of business and on arms' length basis and in accordance with the provisions of the Companies Act, 2013 and rules issued thereunder. All related party transactions have been approved by the audit committee of the Company.

The Company has not entered into any material related party transaction during the year under review. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of the transactions with related parties are provided in the Company's financial statements in accordance with the accounting standards.

Auditors

Statutory Auditors

The appointment of M/s O. P. Bagla & Co., Chartered Accountants (Firm Registration No. 000018N), was ratified by the members of the Company at the last Annual General Meeting of the Company held on 26th September, 2015. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by members at every Annual General Meeting.

In this regard, the Company has also received a certificate from the auditors to the effect that if their appointment is ratified by the shareholders at the ensuing Annual General Meeting, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.



Directors' Report

The notes on the financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013, the Board of Directors on the recommendation of the audit committee appointed M/s Chittora & Co., Cost Accountants, as the Cost Auditors of the Company for the financial year 2016-17 and has recommended their remuneration to the shareholders for their ratification at the ensuing Annual General Meeting.

The audit committee has also received a certificate from M/s Chittora & Co., Cost Accountants, certifying their independence and arm's length relationship with the Company.

Secretarial Auditors

M/s VLA & Associates, Company Secretaries, was appointed as Secretarial Auditors of the Company, to conduct Secretarial Audit for the year under review, pursuant to the provisions of Section 204 of the Companies Act, 2013.

The Secretarial Audit Report for the year under review, does not contain any qualification, reservation or adverse remarks and is annexed herewith as "Annexure - F" to this report.

Corporate Social Responsibility

The brief outline of the Corporate Social Responsibility (CSR) initiatives undertaken by the Company during the financial year 2015-16 is annexed herewith as "Annexure - G" to this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Risk Management Policy

Risk is an integral part of the business and your Company is committed to managing the risks in a proactive and efficient manner. Your Company periodically assesses risks in the internal and external environment along with the cost of treating risks and incorporates risk treatment plans in its strategy, business and operational plans.

The details of Risk Management, as practiced by the Company are provided in the Management Discussion and Analysis Report which is annexed herewith as "Annexure - E" to this report.

Policy on sexual harassment of women at workplace

The Company has zero tolerance towards sexual harassment at the workplace and towards this end, the Company has adopted a policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder. All employees (permanent, contractual, temporary, trainees) are covered under the said policy. An internal complaints committee has been constituted under the above policy which provides a forum to all female personnel to lodge complaints (if any) therewith for redressal.

During the financial year under review, the Company has not received any complaint of sexual harassment.

Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future

There are no significant and material orders passed by the regulators or courts or tribunals that would impact the going concern status of the Company and its future operations.

Details on internal financial controls related to financial statements

Your Company has put in place a mechanism to ensure that the effectiveness of its internal financial control framework is assessed on an ongoing basis and corrective steps are taken, wherever required. As part of this

Directors' Report

exercise, the design of internal control and its operating effectiveness, for the key business processes has been tested by independent experts. Based on the review carried out, independent experts have confirmed that they are satisfied with the effectiveness and adequacy of the internal financial controls.

Vigil Mechanism / Whistle Blower Policy

The Company has adopted a whistle blower policy and has established the necessary vigil mechanism for employees and Directors to report concerns about unethical behaviour. No person has been denied access to the Chairman of the audit committee.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, as amended from time to time is annexed herewith as "Annexure - H" to this report.

Appreciation

Your Directors wish to convey their gratitude and place on record their sincere appreciation to all employees of the Company for their hard work, solidarity and continued value addition to the Company.

Your Directors wish to express their appreciation for the continued co-operation and the valuable assistance received from the technical collaborators viz. Tokai Kogyo Co. Limited, Japan, Nissen Chemitec Corporation, Japan and Tokai Kogyo Sciri Co. Limited, Japan.

Your Directors sincerely convey their appreciation to customers, shareholders, vendors, bankers, business associates, regulatory and government authorities for their continued support.

For and on behalf of the Board of Directors

Place: Noida

Date : 19th May, 2016

Ajay Kumar Jain

Chairman & Managing Director

DIN: 00148839

Abhishek Jain

Whole Time Director

DIN: 00137651

Annexure-A to the Directors' Report

Form No. MGT-9

Extract of Annual Return as on 31st March, 2016

[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 detail

- 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
Ph. No.: +91-11-26311671 / 26910777
- vi) Whether listed Company (Yes / No) : Yes
- vii) Name, Address and Contact details of Registrar and 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
Ph. No.: +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 54, Okhla Industrial Estate, Phase-III, New Delhi-110020	U25112DL2012PTC235036	Joint Venture	50	2(6)
2	PPAP Automotive Chennai Private Limited 54, Okhla Industrial Estate, Phase-III, New Delhi-110020	U34300DL2014PTC273103	Associate	40	2(6)
3	PPAP Automotive Technology Private Limited 54, Okhla Industrial Estate, Phase-III, New Delhi-110020	U34100DL2015PTC274891	Associate	40	2(6)
4	PPAP Automotive Systems Private Limited 54, Okhla Industrial Estate, Phase-III, New Delhi-110020	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 01.04.2015)				Shareholding at the end of the year (as on 31.03.2016)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	Promoter									
1	Indian									
a	Individuals / Hindu Undivided Family	6,528,068	-	6,528,068	46.63	6,043,068	-	6,043,068	43.16	(3.46)
b	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
c	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
d	Any Other (Specify)									
	Bodies Corporate	2,313,093	-	2,313,093	16.52	2,812,591	-	2,812,591	20.09	3.57
	Sub Total (A)(1)	8,841,161	-	8,841,161	63.15	8,855,659	-	8,855,659	63.25	0.10
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)	8,841,161	-	8,841,161	63.15	8,855,659	-	8,855,659	63.25	0.10
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 01.04.2015)				Shareholding at the end of the year (as on 31.03.2016)				% 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	111,030	-	111,030	0.79	159,914	-	159,914	1.14	0.35
f	Financial Institutions / Banks	125,743	-	125,743	0.90	-	-	-	-	(0.90)
g	Insurance Companies	-	-	-	-	-	-	-	-	-
h	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-
i	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Sub Total (B)(1)	236,773	-	236,773	1.69	159,914	-	159,914	1.14	(0.55)
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.	2,059,610	146	2,059,756	14.71	1,894,614	146	1,894,760	13.53	(1.18)
ii	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,326,175	-	1,326,175	9.47	1,358,986	-	1,358,986	9.71	0.23
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	0.66	0.66
	Foreign Companies	-	225,000	225,000	1.61	-	225,000	225,000	1.61	-
	Non Resident Indians (Non Repat)	5,241	-	5,241	0.04	4,273	-	4,273	0.03	(0.01)

Annexure-A to the Directors' Report

S. No.	Category of Shareholders	Shareholding at the beginning of the year (as on 01.04.2015)				Shareholding at the end of the year (as on 31.03.2016)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	Non Resident Indians (Repat)	64,182	-	64,182	0.46	59,524	-	59,524	0.43	(0.03)
	Clearing Member	42,636	-	42,636	0.30	50,726	-	50,726	0.36	0.06
	Bodies Corporate	1,199,076	-	1,199,076	8.56	1,299,335	-	1,299,335	9.28	0.72
	Sub Total (B)(3)	4,696,920	225,146	4,922,066	35.16	4,759,286	225,146	4,984,432	35.60	0.45
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	4,933,693	225,146	5,158,839	36.85	4,919,200	225,146	5,144,346	36.75	(0.10)
	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	28.63	-	4,007,680	28.63	-	0.00
2	Vinay Kumari Jain	1,416,890	10.12	-	931,890	6.66	-	(3.46)
3	Abhishek Jain	1,002,404	7.16	-	1,002,404	7.16	-	0.00
4	Ajay Kumar Jain HUF	90,123	0.64	-	90,123	0.64	-	0.00
5	Rashi Jain	10,971	0.08	-	10,971	0.08	-	0.00
6	Kalindi Farms Private Limited	1,793,093	12.81	-	1,807,591	12.91	-	0.10
7	Sri Lehra Jewellers Private Limited	520,000	3.71	-	520,000	3.71	-	0.00
8	Prism Suppliers Private Limited	-	-	-	185,000	1.32	-	1.32
9	Ratnakar Dealtrade Private Limited	-	-	-	140,000	1.00	-	1.00

Annexure-A to the Directors' Report

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	
10	Smart Commotrade Private Limited	-	-	-	160,000	1.14	-	1.14
11	*Abhishek Jain HUF	-	-	-	-	-	-	-
12	*Ajay Kumar Jain Holdings Private Limited	-	-	-	-	-	-	-
13	*Arhaan Holdings Private Limited	-	-	-	-	-	-	-
14	*Ginius Vintrade Private Limited	-	-	-	-	-	-	-
15	*Icon Vanijya Private Limited	-	-	-	-	-	-	-
16	*Advance Commotrade Private Limited	-	-	-	-	-	-	-
17	*Littlestar Tradelink Private Limited	-	-	-	-	-	-	-
18	*Nikunj Foods 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	Vinay Kumari Jain					
	at the beginning of the year		1,416,890	10.12	1,416,890	10.12
	07.12.2015	Transfer	(140,000)	(1.00)	1,276,890	9.12
	08.01.2016	Transfer	(160,000)	(1.14)	1,116,890	7.98
	12.01.2016	Transfer	(185,000)	(1.32)	931,890	6.66
	at the end of the year				931,890	6.66
2	Ratnakar Dealtrade Private Limited					
	at the beginning of the year		-	-	-	-
	07.12.2015	Transfer	140,000	1.00	140,000	1.00
	at the end of the year				140,000	1.00

Annexure-A to the Directors' Report

3	Smart Commotrade Private Limited					
	at the beginning of the year		-	-	-	-
	08.01.2016	Transfer	160,000	1.14	160,000	1.14
	at the end of the year				160,000	1.14
4	Prism Suppliers Private Limited					
	at the beginning of the year		-	-	-	-
	12.01.2016	Transfer	185,000	1.32	185,000	1.32
	at the end of the year				185,000	1.32

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

S. No.	Shareholders' Name		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Reason	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	I.M. Infrastructure and Hospitality Private Limited					
	at the beginning of the year		428,401	3.06	428,401	3.06
	31-Jul-15	Transfer	(168,979)	(1.21)	259,422	1.85
	14-Aug-15	Transfer	(27,021)	(0.19)	232,401	1.66
	at the end of the year				232,401	1.66
2	Anil Kumar Goel					
	at the beginning of the year		368,000	2.63	368,000	2.63
	6-Nov-15	Transfer	1,200	0.01	369,200	2.64
	27-Nov-15	Transfer	(4,200)	(0.03)	365,000	2.61
	at the end of the year				365,000	2.61
3	Unatgagan Commodities Private Limited					
	at the beginning of the year		303,500	2.17	303,500	2.17
	31-Jul-15	Transfer	168,979	1.21	472,479	3.37
	14-Aug-15	Transfer	27,021	0.19	499,500	3.57
	at the end of the year				499,500	3.57
4	Tokai Kogyo Co. Limited					
	at the beginning of the year		225,000	1.61	225,000	1.61
	at the end of the year				225,000	1.61
5	Rajan Rakheja					
	at the beginning of the year		220,000	1.57	220,000	1.57
	at the end of the year				220,000	1.57
6	Seema Goel					
	at the beginning of the year		180,000	1.29	180,000	1.29
	at the end of the year				180,000	1.29
7	Vijaya Bank					
	at the beginning of the year		125,743	0.90	125,743	0.90
	17-Jul-15	Transfer	(15,310)	(0.11)	110,433	0.79
	24-Jul-15	Transfer	4,477	0.03	114,910	0.82
	31-Jul-15	Transfer	(10,716)	(0.08)	104,194	0.74

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
	7-Aug-15	Transfer	(1,403)	(0.01)	102,791	0.73
	14-Aug-15	Transfer	(2,500)	(0.02)	100,291	0.72
	21-Aug-15	Transfer	(7,520)	(0.05)	92,771	0.66
	28-Aug-15	Transfer	(5,219)	(0.04)	87,552	0.63
	4-Sep-15	Transfer	(2,503)	(0.02)	85,049	0.61
	11-Sep-15	Transfer	(2,500)	(0.02)	82,549	0.59
	25-Sep-15	Transfer	(2,966)	(0.02)	79,583	0.57
	30-Sep-15	Transfer	(4,200)	(0.03)	75,383	0.54
	9-Oct-15	Transfer	(11,133)	(0.08)	64,250	0.46
	16-Oct-15	Transfer	(44,250)	(0.32)	20,000	0.14
	23-Oct-15	Transfer	(6,279)	(0.04)	13,721	0.10
	30-Oct-15	Transfer	(8,428)	(0.06)	5,293	0.04
	6-Nov-15	Transfer	(5,293)	(0.04)	-	-
	at the end of the year				-	-
8	Grovsnor Investment Fund Limited					
	at the beginning of the year		111,030	0.79	111,030	0.79
	at the end of the year				111,030	0.79
9	STC Securities Private Limited					
	at the beginning of the year		85,000	0.61	85,000	0.61
	22-May-15	Transfer	(7,126)	(0.05)	77,874	0.56
	29-May-15	Transfer	(50,000)	(0.36)	27,874	0.20
	5-Jun-15	Transfer	(27,874)	(0.20)	-	-
	at the end of the year				-	-
10	Dinesh Kumar Singhi					
	at the beginning of the year		81,433	0.58	81,433	0.58
	22-May-15	Transfer	(10,585)	(0.08)	70,848	0.51
	29-May-15	Transfer	(41,403)	(0.30)	29,445	0.21
	5-Jun-15	Transfer	(29,445)	(0.21)	-	-
	at the end of the year				-	-
11	Sabitha Chandran					
	at the beginning of the year		72,000	0.51	72,000	0.51
	at the end of the year				72,000	0.51
12	Radhe Govind Commercials Private Limited					
	at the beginning of the year		59,183	0.42	59,183	0.42
	at the end of the year				59,183	0.42
13	Dolly Khanna					
	at the beginning of the year		-	-	-	-
	13-Nov-15	Transfer	38,220	0.27	38,220	0.27
	20-Nov-15	Transfer	1,000	0.01	39,220	0.28
	27-Nov-15	Transfer	32,375	0.23	71,595	0.51
	4-Dec-15	Transfer	13,370	0.10	84,965	0.61
	11-Dec-15	Transfer	2,200	0.02	87,165	0.62

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
	18-Dec-15	Transfer	2,000	0.01	89,165	0.64
	29-Jan-16	Transfer	2,000	0.01	91,165	0.65
	5-Feb-16	Transfer	1,800	0.01	92,965	0.66
	11-Mar-16	Transfer	1,838	0.01	94,803	0.68
	18-Mar-16	Transfer	17,050	0.12	11,853	0.80
	25-Mar-16	Transfer	3,000	0.02	114,853	0.82
	31-Mar-16	Transfer	8,800	0.06	123,653	0.88
	at the end of the year				123,653	0.88
14	Elite Wealth Advisors Limited					
	at the beginning of the year		-	-	-	-
	17-Jul-15	Transfer	23,804	0.17	23,804	0.17
	24-Jul-15	Transfer	(23,804)	(0.17)	-	-
	21-Aug-15	Transfer	100	0.00	100	0.00
	28-Aug-15	Transfer	(100)	(0.00)	-	-
	6-Nov-15	Transfer	46,721	0.33	46,721	0.33
	13-Nov-15	Transfer	4,213	0.03	50,934	0.36
	20-Nov-15	Transfer	7,727	0.06	58,661	0.42
	27-Nov-15	Transfer	17,153	0.12	75,814	0.54
	4-Dec-15	Transfer	(47,497)	(0.34)	28,317	0.20
	11-Dec-15	Transfer	(28,317)	(0.20)	-	-
	4-Mar-16	Transfer	2,000	0.01	2,000	0.01
	11-Mar-16	Transfer	8,000	0.06	10,000	0.07
	18-Mar-16	Transfer	10,000	0.07	20,000	0.14
	25-Mar-16	Transfer	5,000	0.04	25,000	0.18
	31-Mar-16	Transfer	2,000	0.01	27,000	0.19
	at the end of the year				27,000	0.19
15	Rattan Singhania					
	at the beginning of the year		-	-	-	-
	5-Jun-16	Transfer	9,027	0.14	19,027	0.14
	24-Jul-15	Transfer	10,824	0.08	29,851	0.21
	7-Aug-15	Transfer	3,449	0.02	33,300	0.24
	21-Aug-15	Transfer	13,700	0.10	47,000	0.34
	28-Aug-15	Transfer	295	0.00	47,295	0.34
	4-Sep-15	Transfer	4,083	0.03	51,378	0.37
	18-Sep-15	Transfer	622	0.00	52,000	0.37
	at the end of the year				52,000	0.37
16	Rajasthan Global Securities Private Limited					
	at the beginning of the year		-	-	-	-
	20-Nov-15	Transfer	6,800	0.05	6,800	0.05
	27-Nov-15	Transfer	5,300	0.04	12,100	0.09
	4-Dec-15	Transfer	2,827	0.02	14,927	0.11

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
	11-Dec-15	Transfer	70,958	0.51	85,885	0.61
	25-Dec-15	Transfer	(57,200)	(0.41)	28,685	0.20
	12-Feb-16	Transfer	28,600	0.20	57,285	0.41
	at the end of the year				57,285	0.41
17	Master Capital Services Limited					
	at the beginning of the year		993	0.01	993	0.01
	10-Apr-15	Transfer	1,345	0.01	2,338	0.02
	17-Apr-15	Transfer	105	0.00	2,443	0.02
	1-May-15	Transfer	1,000	0.01	3,443	0.02
	8-May-15	Transfer	4,026	0.03	7,469	0.05
	15-May-15	Transfer	4,305	0.03	11,774	0.08
	22-May-15	Transfer	(3,965)	(0.03)	7,809	0.06
	29-May-15	Transfer	16,257	0.12	24,066	0.17
	5-Jun-15	Transfer	(12,053)	(0.09)	12,013	0.09
	12-Jun-15	Transfer	665	0.00	12,678	0.09
	19-Jun-15	Transfer	1,930	0.01	14,608	0.10
	26-Jun-15	Transfer	1,384	0.01	15,992	0.11
	30-Jun-15	Transfer	107	0.00	16,099	0.11
	3-Jul-15	Transfer	683	0.00	16,782	0.12
	10-Jul-15	Transfer	2,239	0.02	19,021	0.14
	17-Jul-15	Transfer	(1,073)	(0.01)	17,948	0.13
	24-Jul-15	Transfer	(15,135)	(0.11)	2,813	0.02
	31-Jul-15	Transfer	(1,656)	(0.01)	1,157	0.01
	7-Aug-15	Transfer	(507)	(0.00)	650	0.00
	14-Aug-15	Transfer	3,895	0.10	14,545	0.10
	21-Aug-15	Transfer	14,764	0.11	29,309	0.21
	28-Aug-15	Transfer	590	0.00	29,899	0.21
	4-Sep-15	Transfer	(2,428)	(0.02)	27,471	0.20
	11-Sep-15	Transfer	5,252	0.04	32,723	0.23
	18-Sep-15	Transfer	(2,029)	(0.01)	30,694	0.22
	25-Sep-15	Transfer	100	0.00	30,794	0.22
	30-Sep-15	Transfer	(100)	(0.00)	30,694	0.22
	9-Oct-15	Transfer	25	0.00	30,719	0.22
	30-Oct-15	Transfer	12,017	0.09	42,736	0.31
	6-Nov-15	Transfer	34,586	0.25	77,322	0.55
	13-Nov-15	Transfer	(25,696)	(0.18)	51,626	0.37
	20-Nov-15	Transfer	(25,259)	(0.18)	26,367	0.19
	27-Nov-15	Transfer	3,352	0.02	29,719	0.21
	4-Dec-15	Transfer	100	0.00	29,819	0.21
	18-Dec-15	Transfer	(500)	(0.00)	29,319	0.21
	15-Jan-16	Transfer	(16,629)	(0.12)	12,690	0.09

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
	22-Jan-16	Transfer	5,156	0.04	17,846	0.13
	5-Feb-16	Transfer	1,200	0.01	19,046	0.14
	12-Feb-16	Transfer	(4,339)	(0.03)	14,707	0.11
	19-Feb-16	Transfer	1,488	0.01	16,195	0.12
	26-Feb-16	Transfer	2,232	0.02	18,427	0.13
	4-Mar-16	Transfer	1,941	0.01	20,368	0.15
	11-Mar-16	Transfer	(200)	(0.00)	20,168	0.14
	18-Mar-16	Transfer	(14,222)	(0.10)	5,946	0.04
	25-Mar-16	Transfer	3,065	0.02	9,011	0.06
	31-Mar-16	Transfer	(7,226)	(0.05)	1,785	0.01
	at the end of the year				1,785	0.01

v) Shareholding of Directors and Key Managerial Personnel (KMP):

S. No.		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
	For each of the Directors of the Company and KMP							
	Directors							
1	Mr. Ajay Kumar Jain, Chairman & Managing Director	*40,97,803	28.63	-	-	-	*40,97,803	28.63
2	Mrs. Vinay Kumari Jain, Non-Executive Director	1,416,890	10.12	07.12.2015	(140,000)	Transfer	1,276,890	9.12
				08.01.2016	(160,000)	Transfer	1,116,890	7.98
				12.01.2016	(185,000)	Transfer	931,890	6.66
3	Mr. Abhishek Jain, Whole Time Director	1,002,404	7.16	-	-	-	1,002,404	7.16
	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.

Annexure-A to the Directors' Report

V. Indebtedness

(₹ in crores)

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	70.90	12.17	-	83.07
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.27	-	-	0.27
Total (i+ii+iii)	71.17	12.17	-	83.34
Change in Indebtedness during the financial year				
* Addition	17.71	-	-	17.71
* Reduction	14.26	12.17	-	26.43
Net Change	3.46	(12.17)	-	(8.71)
Indebtedness at the end 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)	74.57	-	-	74.57

VI. Remuneration of Directors and Key Managerial Personnel

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

S. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount (in ₹)
		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, 1961	4,283,500	5,347,220	9,630,720
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	239,760	39,600	279,360
	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	-	263,200	263,200
	Performance Bonus	-	-	-
	Total (A)	4,523,260	56,50,020	10,173,280
	Ceiling as per the Act	5% of the net profits of the Company		

Annexure-A to the Directors' Report

B. Remuneration of other Directors:

I.* Independent Directors:-

Particulars of Remuneration	Name of Directors			Total Amount (in ₹)
	Mr. Bhuwan Kumar Chaturvedi	Mr. Pravin Kumar Gupta	Mr. Ashok Kumar Jain	
Fee for attending Board / Committee Meetings	260,000	340,000	160,000	760,000
Commission	-	-	-	-
Others	-	-	-	-
Total	260,000	340,000	160,000	760,000

II.* Other Non-Executive Director:

Particulars of Remuneration	Mrs. Vinay Kumari Jain	Total Amount (in ₹)
Fee for attending Board / Committee Meetings	260,000	260,000
Commission	-	-
Others	-	-
Total	260,000	260,000

* The sitting fee has been paid within the limit prescribed under the Companies Act, 2013.

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

S. No.	Particulars of Remuneration	Name of the KMP		Total Amount (in ₹)
		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, 1961	1,746,480	676,520	2,423,000
	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	9,9936	41,592	141,528
	Performance Bonus	-	-	-
	Total	1,868,016	739,712	2,607,728

VII. Penalties / Punishment / Compounding of offences (under the Companies Act): Nil

Annexure-B to the Directors' Report

Statement of Disclosure of Remuneration under Section 197 of 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 your Company for the financial year 2015-16	Directors' Name		Ratio to mean remuneration
		Mr. Ajay Kumar Jain Chairman & Managing Director		20.57
		Mr. Abhishek Jain Whole Time Director		22.49
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 2015-16 compared to 2014-15	Director's / CFO / CEO / CS / Manager		Increase (%)
		Mr. Ajay Kumar Jain Chairman & Managing Director		10.42%
		Mr. Abhishek Jain Whole Time Director		20.69%
		Mr. Manish Dhariwal Chief Financial Officer		20.98%
		Mrs. Sonia Bhandari Company Secretary		17.10%
iii)	Percentage increase in the median remuneration of employees in the financial year 2015-16 compared to 2014-15	12.19%		
iv)	Number of permanent employees on the rolls of the Company as on 31 st March, 2016	1,004		
v)	Explanation on the relationship between average increase in remuneration and the company performance	The increase in average remuneration of all employees in the financial year 2015-16 was 12.19%. The reward philosophy of the Company is influenced by individual performance as well as various factors such as competitive market practices, cost considerations and of course, the business results achieved. In order to ascertain our positioning with respect to the market, the Company undertakes detailed benchmarking surveys with organizations of similar profile. The final salary increases that were made depend on the Company's market competitiveness, while at the same time taking into account the performance of the Company as well that of the concerned individual.		
vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of your Company	Comparison of the remuneration of the Key Managerial Personnel against the performance of your Company	Total Remuneration to Key Managerial Personnel (KMP) for the year 2015 (₹ in crores)	1.27
			Income from operations (₹ in crores)	302.75
			Total Remuneration of KMP as % to Revenue	0.42%
			Profit before Tax (PBT) (₹ in crores)	22.76
			Total Remuneration of KMP as % of PBT	5.58%

vii)	Variation in	Details		31.03.2016	31.03.2015
		Market Capitalization (₹ in crores)		218.40	126.14
		Price Earnings Ratio		14.30	14.63
		Percentage increase / decrease of market quotations		73.14%	
		Net worth of the Company (₹ in crores)		₹ 210.42	₹ 198.52
		Market Price as on 31 st March, 2016		₹ 156	
		Price at the time of initial public offer in January 2008		₹ 150	
		% change of Market price over the price at the time of initial public offer		4%	
viii)	Average percentile increase in salaries of employees other than managerial personnel in the financial year 2015-16	9%			
		Justification for increase with reasons for any exceptional circumstances		Normal industry standards applied based on increase in turnover and profits of the Company	
ix)	Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company	Name of the Key Managerial Personnel	Increase in Remuneration (%)	Increase in Net Profit (%)	
		Mr. Ajay Kumar Jain Chairman & Managing Director	10.42%	26.95%	
		Mr. Abhishek Jain Whole Time Director	20.69%	26.95%	
		Mr. Manish Dhariwal Chief Financial Officer	20.98%	26.95%	
		Mrs. Sonia Bhandari Company Secretary	17.10%	26.95%	
x)	Key parameter for any variable component of remuneration availed by the Directors	No			
xi)	Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess the highest paid director during the year	No employee has received remuneration in excess of the Whole Time Director of the Company, during the year.			
xii)	The Board of Directors of the Company affirms that the remuneration is as per the remuneration policy of the Company.	Yes			

Note: Closing share price on Bombay Stock Exchange Limited (BSE) has been used for the point no. vii.

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 Companies (Accounts) Rules, 2014)

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

Part "A": Subsidiaries

During the financial year 2015-16, PPAP Automotive Systems Private Limited ceased to become a subsidiary and has become an associate of the Company. The Company does not have any subsidiary as on 31st March, 2016.

Part "B": Associates and Joint Ventures

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

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	31.03.2016	31.03.2016	31.03.2016	31.03.2016
2.	Shares of associate / joint ventures held by the Company on the year end	4,000	4,000	4,000	37,500,000
3.	Amount of Investment in associates / joint venture	40,000	40,000	40,000	375,000,000
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	14,338	24,736	33,408	326,108,881
8.	Profit / (Loss) for the year:				
	i) Considered in consolidation	(5,708)	(5,432)	(6,592)	(12,447,539)
	ii) Not Considered in consolidation	(8,562)	(8,148)	(9,888)	(12,447,539)

1. Names of associates or joint ventures which are yet to commence operations – Nil

2. There were no associates or joint ventures liquidated or sold during the financial year 2015-16.

For and on behalf of the Board of Directors

Ajay Kumar Jain
Chairman & Managing Director
DIN: 00148839

Abhishek Jain
Whole Time Director
DIN: 00137651

Place: Noida
Date : 19th May, 2016

Manish Dhariwal
Chief Financial Officer

Sonia Bhandari
Company Secretary

Annexure - D to the Directors' Report

Corporate Governance Report

Corporate governance is about maintaining a set of systems and practices so as to ensure that the business and affairs of the organisation are conducted in a fair and transparent manner which promotes a sustainable business model and a valuable relationship of trust is built between the Company and its Stakeholders.

Being a value driven organisation, PPAP Automotive Limited (hereinafter referred to as 'PPAP' or 'the Company') has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance, viz., integrity, transparency, disclosures, ethics, accountability and compliance with applicable laws. PPAP lays special emphasis on conducting its affairs within the framework of policies, internal and external rules and regulations, in a fair and transparent manner.

1. Board of Directors

i) Composition of Board

As on 31st March, 2016, the Company's Board consists of Six Directors having considerable professional experience in their respective fields. The composition of the Board complies with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Out of them, three are Non-Executive / Independent Directors, one is a Non-Executive Director and two are Executive Directors.

None of the Directors on the Company's Board is a member of more than 10 (ten) Committees and Chairman of more than 5 (five) Committees across all the companies in which he / she is a Director.

The composition of the Board of Directors and the number of Directorships and Committee positions held by them as on 31st March, 2016 are as below:

Name of Directors	Nature of Directorship	As on 31 st March, 2016		
		Directorship in other Companies (*)	Membership and Chairmanship of the Committees of the Board of other companies (**)	
			Chairman	Member
Mr. Ajay Kumar Jain	Chairman & Managing Director	-	-	-
Mr. Bhuwan Kumar Chaturvedi	Non-Executive / Independent Director	2	2	-
Mr. Ashok Kumar Jain	Non- Executive / Independent Director	-	-	-
Mr. Pravin Kumar Gupta	Non- Executive / Independent Director	-	-	-
Mrs. Vinay Kumari Jain	Non-Executive Director	-	-	-
Mr. Abhishek Jain	Whole Time Director	-	-	-

* Excludes directorship in private limited companies, foreign companies, companies incorporated under Section 8 of the Companies Act, 2013 and PPAP.

**Committees considered are Audit Committee and Stakeholders' Relationship Committee excluding that of PPAP. Committee Membership(s) & Chairmanship(s) are counted separately.

Annexure-D to the Directors' Report

ii) Board Procedures

All the meetings are conducted as per well designed and structured agenda. All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated separately or placed at the meeting) to enable the Board to take informed decisions. The agenda papers are circulated well in advance and they include minutes of the previous meeting of all the Board Committees for the information of the Board. In addition, in case of any business exigencies, the resolutions are passed by circulation and later these are placed in the subsequent Board / Committee Meeting for ratification.

The Board also, *inter alia*, periodically reviews the strategy and business plans, annual operating plans and capital expenditure budget, investment and exposure limit(s) of the Company.

iii) Independent Directors

The Independent Directors play an important role in the governance processes of the Board. They bring expertise and experience to the Board. None of our Independent Directors serve as "Independent Directors" in more than seven listed companies.

The Independent Directors have confirmed that they meet the criteria of independence as laid down under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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
	26 th May, 2015	8 th August, 2015	4 th November, 2015	3 rd February, 2016	17 th March, 2016	26 th September, 2015
Mr. Ajay Kumar Jain	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Bhuwan Kumar Chaturvedi	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ashok Kumar Jain	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Pravin Kumar Gupta	Yes	Yes	Yes	Yes	Yes	Yes
Mrs. Vinay Kumari Jain	Yes	Yes	Yes	Yes	Yes	Leave of absence
Mr. Abhishek Jain	Yes	Yes	Yes	Leave of absence	Yes	Yes

v) Independent Directors' Meeting

The Independent Directors met on 17th March, 2016 without the presence of Executive Directors or Management representatives, *inter alia*, to discuss the performance of Non-Independent Directors and the Board as a whole, the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Annexure-D to the Directors' Report

vi) Committees of the Board

The Committees of the Board play a crucial role in the governance structure of the Company. These Committees have been constituted to deal with specific areas / activities and the terms of reference of these Committees are approved by the Board and are in line with the requirements of the Companies Act, 2013 ("Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Minutes of the meetings of all Committees are placed before the Board for review.

Currently, the Board has the following Committees, duly constituted:

Audit Committee	Stakeholders' Relationship Committee	Nomination and Remuneration Committee	CSR Committee
Mr. Bhuwan Kumar Chaturvedi (Chairman) (Non- Executive / Independent Director)	Mr. Pravin Kumar Gupta (Chairman) (Non- Executive / Independent Director)	Mr. Pravin Kumar Gupta (Chairman) (Non- Executive / Independent Director)	Mr. Ashok Kumar Jain (Chairman) (Non- Executive / Independent Director)
Mr. Pravin Kumar Gupta (Non- Executive / Independent Director)	Mrs. Vinay Kumari Jain (Non-Executive Director)	Mr. Bhuwan Kumar Chaturvedi (Non- Executive / Independent Director)	Mrs. Vinay Kumari Jain (Non-Executive Director)
Mr. Ajay Kumar Jain (Executive Director)	Mr. Abhishek Jain (Executive Director)	Mrs. Vinay Kumari Jain (Non-Executive Director)	Mr. Abhishek Jain (Executive Director)

Mrs. Sonia Bhandari, Company Secretary of the Company, acts as the Secretary of all the Board Committees.

A. 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 activities / reports. The audit committee also issues directives and / or 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 audit committee have the requisite financial, legal and management expertise.

Brief Description of Terms of Reference:

The terms of reference of the audit committee are broadly as under:

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 listing 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.

Annexure-D to the Directors' Report

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 and the gap between any two meetings did not exceed one hundred and twenty days. The required quorum was present in all such meetings.

The details of the audit committee meetings and attendance of the members of the Committee during the financial year ended 31st March, 2016 are detailed below:

Name of Committee Member	Category	Dates of Audit Committee Meetings				
		26 th May, 2015	8 th August, 2015	4 th November, 2015	3 rd February, 2016	17 th March, 2016
Mr. Bhuwan Kumar Chaturvedi	Non-Executive / Independent Director	Yes	Yes	Yes	Yes	Yes
Mr. Pravin Kumar Gupta	Non-Executive / Independent Director	Yes	Yes	Yes	Yes	Yes
Mr. Ajay Kumar Jain	Executive Director	Yes	Yes	Yes	Yes	Yes

Annexure-D to the Directors' Report

The Committee has been reconstituted by adding Mr. Ashok Kuma Jain, Non- Executive and Independent Director as the member of the Committee w.e.f 19th May, 2016.

Currently the Committee comprises of four (4) members viz. Mr. Bhuwan Kumar Chaturvedi, Mr. Pravin Kumar Gupta, Mr. Ajay Kumar Jain and Mr. Ashok Kumar Jain.

B. Nomination and Remuneration Committee

The Board has adopted Nomination and Remuneration Policy on the recommendation of Nomination and Remuneration Committee ("NRC"). The Nomination and Remuneration Policy is in compliance with all applicable provisions of Section 178 of the Companies Act, 2013, read with the applicable rules framed thereunder and Regulation 19(4) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The Policy is designed to attract and retain best talent, who have the potential to drive the growth and significantly enhance stakeholders' value.

Brief Description of Terms of Reference:

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 such meetings.

The details of the NRC meetings and attendance of the members of the Committee during the financial year ended 31st March, 2016 are detailed below:

Name of Committee Member	Category	Dates of NRC Meetings	
		26 th May, 2015	8 th August, 2015
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 paid remuneration as per the terms approved by the NRC, the Board of Directors of the Company and the shareholders of the Company and subject to such other statutory approvals as may be necessary. The remuneration of the Executive Directors comprises of salary, commission, perquisites & allowances, contributions to provident fund, insurance, superannuation fund and gratuity.

The Non-Executives Directors are paid by way of sitting fees.

Details of remuneration and sitting fee paid to the Directors of the Company during the financial year

Annexure-D to the Directors' Report

ended 31st March, 2016 are as follows:

Name of Directors	Sitting Fees	Salary and perquisite (in ₹)	Bonus (in ₹)	Total (in ₹)	No. of Equity shares held
Mr. Ajay Kumar Jain	-	45,14,860	8,400	45,23,260	4,007,680 90,123 ¹
Mr. Bhuwan Kumar Chaturvedi	260,000	-	-	260,000	-
Mr. Pravin Kumar Gupta	340,000	-	-	340,000	-
Mr. Ashok Kumar Jain	160,000	-	-	160,000	-
Mrs. Vinay Kumari Jain	260,000	-	-	260,000	931,890
Mr. Abhishek Jain	-	56,41,420	8,400	56,50,020	1,002,404

¹holding 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 Stakeholders' Relationship Committee ("SRC") meets as and when required to resolve the grievances of the security holders of the Company including complaints relating to transfer of share, non-receipt of balance sheet and non-receipt of declared dividends. To expedite the process of share transfers, the Board of the Company has delegated the power of share transfer to the Company Secretary of the Company.

Brief Description of Terms of Reference:

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 recommend measures for overall improvement in the quality of investor services.

Meetings, Attendance & Composition of the SRC:

During the year, the SRC met four times and 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, 2016 are detailed below:

Name of Committee Member	Category	Dates of SRC Meetings			
		26 th May, 2015	8 th August, 2015	4 th November, 2015	3 rd February, 2016
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	Leave of absence

Annexure-D to the Directors' Report

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

Number of complaints remaining unresolved as on 1 st April, 2015	-
Number of complaints received during the year	7
Number of complaints resolved during the year	7
Number of complaints remaining unresolved as on 31 st March, 2016	-

D. Corporate Social Responsibility Committee

The Corporate Social Responsibility ("CSR") Committee is a Committee constituted by the Board with powers, *inter alia*, for monitoring and implementation of the CSR projects / programmes / activities of the Company and to recommend the amount of expenditure to be incurred on the CSR activities as enumerated in Schedule VII of the Companies Act, 2013.

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>

Brief Description of Terms of Reference:

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 of such meetings.

The details of the CSR Committee meetings and attendance of the members of the Committee during the financial year ended 31st March, 2016 are detailed below:

Name of Committee Member	Category	Dates of CSR Committee Meetings	
		26 th May, 2015	3 rd February, 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	Leave of Absence

vii) 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. Mrs. Vinay Kumari Jain (DIN: 00228718) retires by rotation and being eligible, offer herself for re-appointment at the ensuing Annual General Meeting.

The brief profile of Mrs. Vinay Kumari Jain, seeking re-appointment at the ensuing Annual General Meeting is as follows:

Annexure-D to the Directors' Report

Mrs. Vinay Kumari Jain (DIN: 00228718)

Mrs. Vinay Kumari Jain holds a degree of Bachelor of Science from Delhi University. She was one of the founder partners of partnership firm M/s Precision Pipes and Profiles Company formed in 1978 and continued as a partner till 1995. Subsequently, she was a Director of the Company from 1995 till 2006.

She has deep understanding of the automotive business and has been associated with the Company since its Technical Collaboration with Tokai Kogyo Co. Limited, Japan. She has a total work experience of three decades.

Directorship in other companies:

- Kalindi Farms Private Limited

#Committee Positions:

- PPAP Automotive Limited - Member of Stakeholders' Relationship Committee

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

4. 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
2014-15	The Executive Club, Dolly Farms & Resorts Private Limited 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 Private Limited 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi -110074	Saturday, 27 th September, 2014 at 10:30 A.M.	3
2012-13	The Executive Club, Dolly Farms & Resorts Private Limited 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi -110074	Friday, 9 th August, 2013 at 11:00 A.M.	2

b. Postal Ballot

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

5. Disclosures

- There was no materially significant related party transactions during the year having conflict with the interest of the Company. The transactions with the related parties are disclosed in accordance with AS-18 in 32B to the notes to accounts in financial statements of the Company.
- The Company has complied with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. No penalties or strictures have been imposed by the Stock Exchanges, SEBI or any other Statutory Authority, on any matter relating to capital market during last three years.
- Management Discussion and Analysis Report is provided as a part of the Directors' Report published elsewhere in this Report.
- Pursuant to the provisions of Regulation 7(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certificates on half-yearly basis, have been issued by the Company Secretary of the Company for due compliance of share transfer formalities by the Company. Pursuant to SEBI (Depositories and Participants) Regulations, 1996, certificates have also been received from a Company Secretary in Practice for reconciling the total shares held in both the depositories, viz. National Securities Depository

Annexure-D to the Directors' Report

Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and in physical form with the total issued / paid-up capital of the Company and submitted the same to the Stock Exchanges where the securities of the Company are listed, within 30 days from the end of each quarter.

- The guidelines / accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) and notified by the Companies (Accounting Standards) Rules, 2006 have been followed in preparation of the financial statements of the Company.
- 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.
- The Company has adopted a whistle blower policy and it affirms that no personnel has been denied access to the audit committee.
- The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated under Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- As regards training of Board Members, the Directors on Board are seasoned 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.
- Income and expense in foreign currencies are converted at exchange rates prevailing on the date of the transaction. 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.
- 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.

6. 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 Act, 2015 is provided below:

- **The Board** : The Chairman of the Company is Executive Chairman.
- **Shareholder Rights**: The quarterly financial performance and significant events are posted on the Company's website. The quarterly financial performance is also published in the newspapers.
- **Modified Opinion in Auditors Report** : The Company's financial statements for the financial year ended 31st March, 2016 does not contain any modified audit opinion.
- **Separate posts of Chairperson and CEO** : Mr. Ajay Kumar Jain is the Chairman and Managing Director of the Company.
- **Reporting of Internal Auditor** : The internal auditor reports to the audit committee.

7. Evaluation of the Board's performance

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of 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 its committees. The evaluation criteria, *inter-alia*, covered various aspects of the Board's functioning including its composition, attendance of Directors, participation levels, bringing specialized knowledge for decision making, smooth functioning of the Board and effective decision making.

The performance of individual Directors was evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders, time devoted, etc. The Directors expressed their satisfaction with the evaluation process.

Annexure-D to the Directors' Report

It was further acknowledged that every individual Member and Committees of the Board contributed in the overall growth of the Company.

8. CEO / CFO Certification

Mr. Ajay Kumar Jain, Chairman & Managing Director and Mr. Manish Dhariwal, Chief Financial Officer of the Company have issued a certificate pursuant to the provisions of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the report.

9. Familiarization Program for Independent Directors

In compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc.

Periodic presentations are made at the Board Meetings on business plans and performance, short and long term strategy and new initiatives taken by the Company.

The familiarization programme for Independent Directors in terms of provisions of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is uploaded on the website of the Company and can be accessed by web link <http://ppapco.in/pdf/Familiarization-program-for-Independent-Directors.pdf>.

10. Code of Conduct

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct and Ethics ('the Code'). The Code is applicable to all the Board Members and all the employees of the Company.

The Code of conduct has been placed on the website of the Company and can be accessed by web link <http://ppapco.in/Code-of-Conduct.pdf>.

All the Board Members and Senior Management Personnel have affirmed compliance to the Code for the financial year ended 31st March, 2016.

A declaration to this effect, is signed by the Chairman and Managing Director of the Company, forms part of this report.

11. Whistle Blower Policy

The Company believes in conducting its business and working with all its stakeholders, including employees, with professionalism, honesty, integrity and ethical behaviour. The Company prohibits any kind of discrimination, harassment, victimization or any other unfair practice being adopted against an employee. The Company provides equal opportunity to all, irrespective of gender, caste or creed.

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a whistle blower policy with an objective to provide its employees a mechanism whereby concerns can be raised in line with the Company's commitment to highest standards of ethical, transparent, moral and legal business conduct and its commitment to open communication.

The whistle blower policy as approved by the Board is uploaded in the Company's website and can be accessed by web link <http://ppapco.in/pdf/Whistle-Blower-Policy.pdf>.

12. Code of conduct for prevention of Insider Trading

The Board at its meeting held on 26th May, 2015 has approved the Code of Conduct for Fair Disclosure as per SEBI (Prohibition of Insider Trading) Regulations, 2015. All Directors, Designated Employees, who could have access to the unpublished price sensitive information of the Company, are governed by the Code of Conduct for Fair Disclosure.

Annexure-D to the Directors' Report

The Code of Conduct for Fair Disclosure as approved by the Board is uploaded in the Company's website and can be accessed by web link <http://ppapco.in/Code-of-Practices-and-Procedures-for-Fair-Disclosure-of-Unpublished-Price-Sensitive-Information.pdf>.

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, 2015.	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, 2016.	32	1,867

14. Means of communication

The quarterly and annual financial results of the Company are generally published in the newspaper Business Standard in English and in Hindi (vernacular) language and also displayed at the Company's website www.ppapco.in. All official press releases, presentations to analysts and institutional investors and other general information about the Company are also available on the Company's website.

A separate dedicated section under 'Investors' on the Company's website gives information on various announcements made by the Company, status of unclaimed dividend, Annual Report, quarterly / and annual financial results of the Company.

The Company makes timely disclosures of necessary information to Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other rules & regulations issued by SEBI.

15. Shareholders' Information

i) Annual General Meeting

Day	: Wednesday
Date	: 7 th September, 2016
Time	: 10:30 A.M.
Venue	: 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 30 th June, 2016	: On or before 14 th August, 2016
Quarter ending 30 th September, 2016	: On or before 14 th November, 2016
Quarter ending 31 st December, 2016	: On or before 14 th February, 2017

iv) Annual Audited Results

Year ending 31 st March, 2017	: On or before 30 th May, 2017
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Annexure-D to the Directors' Report

v) **Date of Book closure** : 1st September to 6th September, 2016 (both days inclusive)

vi) **Dividend Payment Date**

For interim dividend 2015-16 of : 24th November, 2015
₹ 1.00 per equity share declared on 4th November, 2015

For final dividend 2015-16 recom- : Commencing on 29th September, 2016
mended by the Board of Directors at (subject to approval of shareholders)
its meeting held on 19th May, 2016

vii) **Listing on Stock Exchanges**

The shares of the Company are presently listed on NSE and BSE

BSE : 532934

NSE : PPAP

ISIN No. : INE095I01015

viii) **Listing Fees**

The Company has paid listing fees upto the financial year ended 31st March, 2017 to the BSE and NSE where Company's shares are listed.

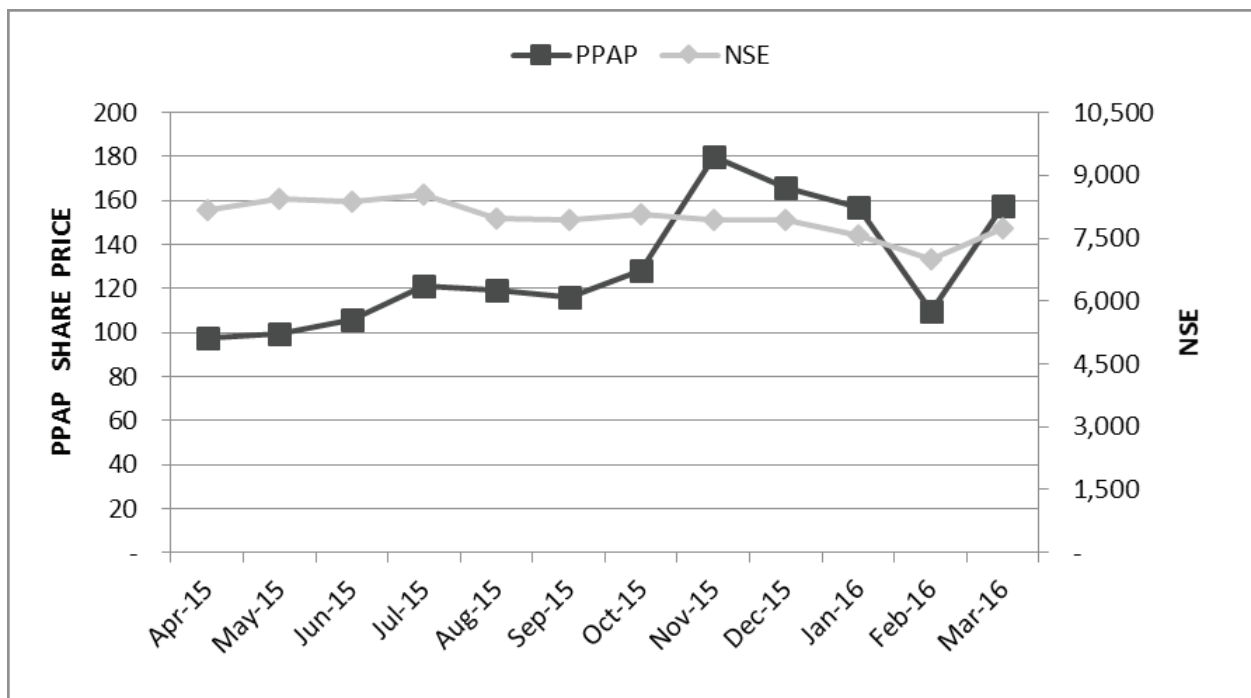
ix) **Market Price Data**

Market price of shares on NSE during the financial year 2015-16 is given as follows:-

Month	Nifty Close	NSE (in ₹ per share)		
		High	Low	Close
April 2015	8,181.50	109.00	87.35	97.30
May 2015	8,433.65	108.70	93.00	99.50
June 2015	8,368.50	109.00	86.65	105.85
July 2015	8,532.85	128.00	101.00	121.25
August 2015	7,971.30	130.00	102.50	119.30
September 2015	7,948.90	122.00	108.00	115.75
October 2015	8,065.80	129.40	114.10	128.05
November 2015	7,935.25	184.90	123.65	179.85
December 2015	7,946.35	182.00	152.00	165.65
January 2016	7,563.55	171.50	129.05	156.90
February 2016	6,987.05	159.90	109.30	109.55
March 2016	7,738.40	158.50	110.35	157.25

Source: www.nseindia.com

Annexure-D to the Directors' Report

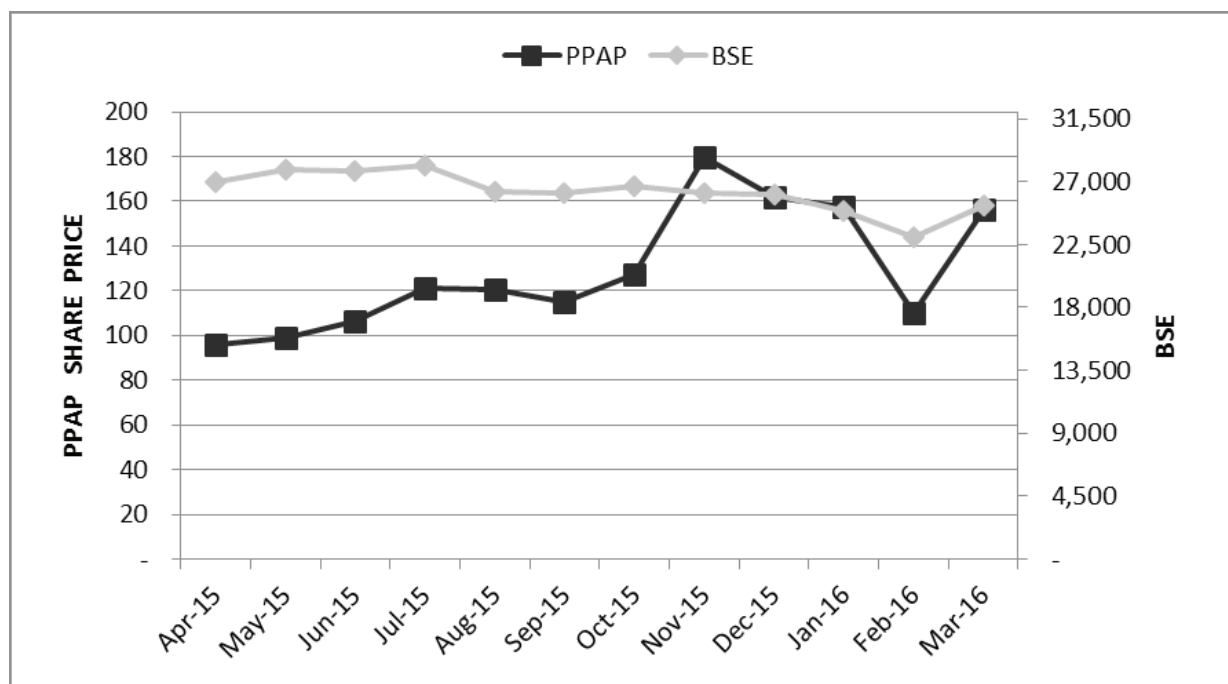


Market Price of shares on BSE during the financial year 2015-16 is given as follows:-

Month	Sensex close	BSE (in ₹ per share)		
		High	Low	Close
April 2015	27,011.31	108.00	89.00	95.95
May 2015	27,828.44	108.00	91.15	99.15
June 2015	27,780.33	110.00	89.00	106.40
July 2015	28,114.56	128.10	101.00	121.00
August 2015	26,283.09	130.00	104.00	120.50
September 2015	26,154.83	120.00	107.90	115.20
October 2015	26,656.83	129.00	114.50	127.30
November 2015	26,145.67	185.00	126.20	179.70
December 2015	26,117.54	179.60	153.30	162.00
January 2016	24,870.69	172.00	132.20	157.20
February 2016	23,002.00	158.30	109.00	110.00
March 2016	25,341.86	158.00	117.00	156.00

source: www.bseindia.com

Annexure-D to the Directors' Report



x) Compliance Officer

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

xi) Address of Registrar and Transfer Agent:

M/s 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
 Ph. No. +91-11-41410592 / 93 / 94

xii) Share Transfer System

The Board of Directors has delegated the power of rematerialisation / dematerialisation, transfers and transmission, splitting / consolidation of share certificates and issue of duplicate share certificates etc. to Stakeholders' Relationship Committee. The meetings of the Committee are periodically held to consider the requests of the shareholders.

Annexure-D to the Directors' Report

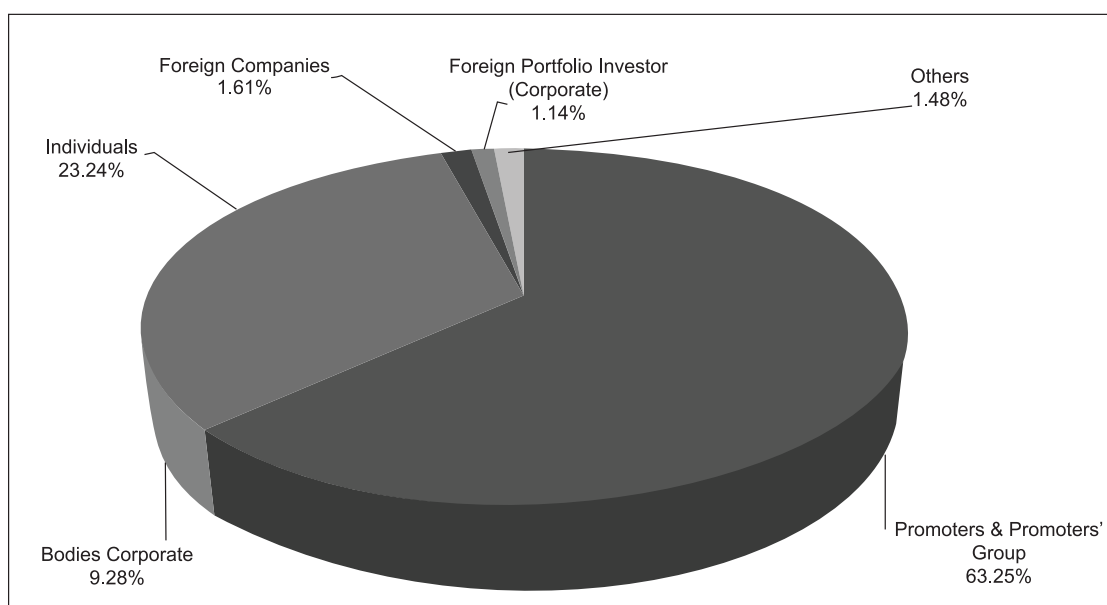
xiii) Distribution of Shareholding

Details of category wise shareholding as on 31st March, 2016:

Categories	No. of shareholders	Percentage	No. of Shares held	Percentage (%)
1-500	15,763	96.06	1,052,903	7.52
501-1000	272	1.65	220,432	1.60
1001-2000	167	1.02	246,135	1.80
2001-3000	59	0.36	150,348	1.10
3001-4000	33	0.20	116,621	0.73
4001-5000	24	0.15	109,781	0.80
5001-10000	36	0.22	254,959	1.82
10001-above	55	0.34	11,848,821	84.63
TOTAL	16,409	100	14,000,000	100

xiv) Details of Shareholding Pattern as on 31st March, 2016:

S. No.	Category	Total number of Shares	% of total number of Shares
A.	Promoters & Promoters' Group		
i.	Individual / Hindu Undivided Family	6,043,068	43.16
ii.	Bodies Corporate	2,812,591	20.09
Total Shareholding of Promoters & Promoters' Group (A)		8,855,659	63.25
B.	Public Shareholding		
i.	Bodies Corporate	1,299,335	9.28
ii.	Individuals	3,253,746	23.24
iii.	Foreign Companies	225,000	1.61
iv.	Foreign Portfolio Investor (Corporate)	159,914	1.14
v.	Non Resident Indians	63,797	0.46
vi.	Others	142,549	1.02
Total Public Shareholding (B)		5,144,341	36.75
Total (A + B)		14,000,000	100



Annexure-D to the Directors' Report

xv) Dematerialization of Shares

The equity shares of the Company are in compulsorily dematerialized segment and are available in the Depository system of both NSDL and CDSL. Number of shares held in dematerialized and physical mode as on 31st March, 2016 are as follows:

S. No.	Mode of Holding	No. of shares	% of total share capital
1.	Physical	225,146	1.61
2.	CDSL	4,263,228	30.45
3.	NSDL	9,511,626	67.94
	Total	14,000,000	100.00

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

No outstanding GDR /ADR / Warrants or any convertible instrument as on 31st March, 2016.

xvii) Plant Locations:

New Delhi

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

Greater Noida - Plant III

B-4, Site V, UPSIDC, Kasna,
Surajpur Industrial Area,
Greater Noida - 201306, U.P.

Noida - Plant I

B-45, Phase - II,
Noida - 201305,
U.P.

Bhiwadi - Plant IV

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

Noida - Plant II

B -206A, Sector - 81,
Phase - II,
Noida - 201305, U.P.

Polivakkam - Plant V

104, Sriperumbudur,
Thiruvallur High Road,
Polivakkam Village,
Thiruvallur District - 602202,
Tamil Nadu

xviii) Registered Office

: 54, Okhla Industrial Estate,
Phase-III, New Delhi-110020
Tel No.: +91-011-26311671 / 26910777

Address for Correspondence / Corporate Office

: B- 206A, Sector-81, Phase-II, Noida-201305, U.P.
Tel No.: +91-120-2462552 / 53
Fax No.: +91-120-2461371
E-mail : sonia@ppapco.com

CERTIFICATION ON FINANCIAL STATEMENTS OF THE COMPANY

**The Board of Directors,
PPAP Automotive Limited**

(Formerly Precision Pipes and Profiles Company 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, 2016 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: 19th May, 2016

Ajay Kumar Jain
Chairman & Managing Director

Manish Dhariwal
Chief Financial Officer

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


Dear Members,
PPAP Automotive Limited

(Formerly Precision Pipes and Profiles Company 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 2015-16.

Date: 19th May, 2016

Ajay Kumar Jain
Chairman & Managing Director



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

The Members,

PPAP Automotive Limited

(Formerly Precision Pipes and Profiles Company Limited)

We have examined the compliance of regulations of Corporate Governance by PPAP Automotive Limited (formerly Precision Pipes and Profiles Company Limited) (the “Company”) for the year ended 31st March, 2016, 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, 2016, 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

Vishal Lochan Aggarwal
Proprietor

FCS No. 7241

C.P. No. 7622

Place : New Delhi

Date : 19th May, 2016

Annexure - E to the Directors' Report

Management Discussion And Analysis Report

Economy Overview

India's Gross Domestic Product (GDP) is expected to expand by 7.9% in FY17 as compared to 7.4% in FY16, according to India Ratings and Research (Ind-Ra), part of the Fitch Group. After bottoming out in FY13, the GDP so far has followed a steady growth trajectory and is anticipated to do so in the medium term. All major sectors namely agriculture, industry and services are expected to contribute to the Gross Value Added (GVA) growth. Under the assumption of a normal or above normal monsoon, the agricultural GVA is estimated to recover and grow at 2.2% in FY17 compared with 1.1% in FY16. According to Ind-Ra, the industrial GVA is expected to grow at 7.6% in FY17, 0.3% higher than FY16. A number of factors are supporting the current industrial recovery including the government's focus on 'Make in India' and improving the 'Ease of doing business', the signs of a revival in investment / consumption cycle coupled with a fall in inflation / interest rates are expected to drive the manufacturing sector growth. Also, various announcements made in the FY15 and FY16 budgets to address the structural issues plaguing the industrial and infrastructure sectors are gradually gaining traction on the ground.

The services sector is expected to grow by 9.5% in FY17, marginally higher than the 9.3% growth recorded in FY16. Services sector growth in FY17, like in the recent past, will again be led by 'trade, hotels, transport, communication, financial, insurance, real estate and professional services. However, a decline in oil prices may cast its shadow on remittances coming through the banking / financial sector to India.

Public administration, defence and other services will get a push due to the pay out of the Seventh Central Pay Commission. As a result, Ind-Ra expects the government final consumption expenditure to grow 7.7% in FY17 compared to 6.5% in FY16.

Ind-Ra expects the Wholesale Price Index (WPI) and Consumer Price Index (CPI) based inflation to come in at 2.7% and 4.9%, respectively, in FY17, assuming a normal monsoon, a moderate hike in procurement prices, benign global commodity prices and some weakness in the value of the rupee.

As things stand now, on the domestic front, inflation is low, rupee is fairly stable, fiscal and current account deficits no longer pose a significant threat. But, on the global front recovery is still and will continue to be uneven and fragile. International Monetary Fund is projecting the global GDP to grow 3.6% in FY16, a modest increase from 3.1% in FY15. The exit of Great Britain from the European Union creates huge political and financial uncertainty and will put further pressure on global growth. However, equally worrying trend is the collapsing of global trade volumes. World Trade Organisation (WTO) is expecting global trade to grow at 3.9% in FY16. Global trade has been facing headwinds due to i) lower global GDP growth, ii) trade spillovers of China's slow growth transition, iii) a weak investment climate globally, particularly in mining and iv) emergence of trade protectionism.


Industry Review

In FY16, the sales of Passenger Vehicles grew by 7.24% over the same period last year. Within the passenger vehicles, passenger cars, utility vehicles and vans grew by 7.87%, 6.25% and 3.58% respectively, during FY16 over the same period last year. The overall Commercial Vehicles segment registered a growth of 11.51% in FY16 as compared to the same period last year. Medium & Heavy Commercial Vehicles (M&HCVs) registered a growth of 29.91% and Light Commercial Vehicles grew marginally by 0.30% during FY16 over the same period last year.

In FY16, overall automobile exports grew by 1.91%. Passenger vehicles, commercial vehicles, three wheelers and two wheelers registered a growth of 5.24%, 16.97%, (0.78 %) and 0.97% respectively in FY16 over FY15.

The industry produced a total 23.96 million vehicles including passenger vehicles, commercial vehicles, three wheelers, two wheelers and quadricycle in FY16 as against 23.35 million in FY15, registering a marginal growth of 2.58% over the same period last year.

According to Society of Indian Automobile Manufacturers ("SIAM"), India's automotive industry provides direct or indirect employment to more than 19.5 million people (or around 4% of the labour force) and accounts for about 27% of industrial GDP. India is the world's sixth-largest manufacturer of passenger cars, according to Organisation Internationale des Constructeurs d'Automobiles (OICA), and the eighth-biggest producer of motor vehicles.



The Indian government is keen to promote the automotive industry as a flagship of the “Make in India” campaign of the Honorable Prime Minister, Mr. Narendra Modi. The automotive mission plan 2016-26, published in September 2015, envisions a fourfold jump in output in ten years, to around ₹19 trillion (US \$274 billion). Since ‘Make in India’ policy was launched in late September 2014, investment projects worth at least ₹ 306 billion (US \$ 4.8 billion) have been announced in the Country, underlining India’s potential as a production and export hub. The actual total is likely to be higher as some projects were announced without values.

The projects are far-reaching, covering original equipment manufacturers (OEMs), component suppliers, domestic companies and international companies. While some projects may have already been in the pipeline regardless of government policy, some companies have named ‘Make in India’ as a factor in their decision. Companies are looking to make India a global hub for exports.

Besides the robust growth outlook of the domestic market is another advantage for carmakers is attractive export potential. The Country boasts low labour costs and has a growing supplier presence and capabilities, which are a positive for auto manufacturers.

Outlook

The implementation of the Seventh Pay Commission could prove to be something to cheer for the industry. According to Swiss investment banking firm Credit Suisse, “The Seventh Pay Commission recommendations would result in almost 25% of Central government and 20% of State government employees falling in the category of eligible car buyers, i.e., with a monthly pay of ₹ 40,000.”

We remain upbeat on the new vehicle sales outlook for FY16 and beyond. Increase in the pace of reform momentum will further influence the economic prospects.

Domestic demand for vehicles is likely to remain strong due to good monsoon prospects, rising real GDP per capita, very strong demographic trends and increasing leverage in the economy. India’s population is also forecasted to grow by 1.2% and the working-age population will rise more rapidly, since half of the Country’s 1.3 billion population is under 25 years of age.

Investment by domestic and international auto component manufacturers into India reinforces positive outlook on the Country’s auto component manufacturing market. A growing domestic market, favorable regulatory changes, and the positive export potential of auto components will see continued interest for auto parts suppliers in the Country over the coming years.

In March 2016, credit rating agency Investment Information & Credit Rating Agency (“ICRA”) forecasted that the Indian auto parts industry will grow by 8-10% in FY17. This growth will be fuelled by increasing localization of parts on the part of OEMs, higher component content per vehicle and rising exports. A growing domestic market, favorable regulatory changes, and the positive export potential of auto components will see continued interest by auto parts suppliers in the Country over the coming years.

Business Overview

PPAP Automotive Limited (“PPAP”) 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 Noida (UP), Greater Noida (UP), Chennai (Tamil Nadu) and Pathredi (Rajasthan). The registered office of the Company is located at New Delhi.

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 Suzuki) cars in the Indian market.

Over the years, PPAP has developed strong technology alliances with Japanese companies in order to cater to the ever increasing demands of its prestigious customers. The Company’s key focus is on delighting the customer through continuous up gradation of its products and services.

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 system 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.

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 System by establishing a Joint Venture with its Technology Partner Tokai Kogyo Co. Limited, Japan.

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

Awards & Recognition

PPAP is amongst a key supplier of parts to major car manufacturers in India. The Company continued its track record of superior performance with its customers. Till date, the Company has received 86 awards from its customers. During the year under review, the Company has received the following awards from its customers:

- Certificate for "Improvement In Quality Performance" by Maruti Suzuki India Limited;
- Certificate of appreciation for "Spares Schedule Adherence" by Maruti Suzuki India Limited;
- "Overall Best Quality Award" by General Motors India; and
- "Customer Back order Resolution Speed" Award by Honda Motors India (Spares Division).

Opportunities and Threats

Opportunities

The number of households earning over US\$10,000 a year is expected to top 67 million by FY21, more than triple the current 21 million. More households will be purchasing a second car and the replacement cycle is likely to become shorter.

BMI Research (Business Monitor International – Fitch Group) expects private consumption to grow by an annual average of over 6% in real terms between 2016 and 2020, with more and more Indian residents choosing to buy new or used cars.


Moreover, passenger car density remains extremely low in India at about 21 cars per 1,000 people, but will rise to 28.4 by 2020 (according to BMI Research) due to rising incomes, lower interest rates and greater availability of credit.

The Country's falling interest-rate environment also provides further stimulus to auto sales.

The Economist Intelligence Unit (EIU), expects growth in passenger-car sales to average over 8.7% a year in between FY17 to FY21.

Threats

With positives like growing spending power, easy availability of finances and more or less benign fuel prices, the



passenger vehicles industry seems to have a near conducive growth environment. However, the uncertainties surrounding the use of diesel engines and the looming judicial axe in the form of bans has led to automakers go back to the drawing board.

A recent ban on the sale of diesel engine cars with a capacity of over 2 liters within the National Capital Region (“NCR”) means that OEMs will now have to expand their petrol vehicle offerings and look to offer smaller-sized diesel engines, in order to maintain their market share. The extension of this ban may negatively affect diesel vehicle sales, as the government seeks to address air pollution problems in the region. According to media reports, the NCR, which comprises Delhi and its satellite regions, is India’s largest vehicle market and accounts for 5-8% of diesel vehicle supply.

Manufacturers like Toyota, Mahindra & Mahindra and Tata Motors are re-looking at their investments and reinventing their product portfolios for the Country.

Sudden regulatory changes could prove to be dissuasive and would result in capping the short-term growth potential of the industry.

Risk and Concerns

The Company has implemented a Risk Management Policy which lays down the framework to identify risks at both Corporate level and at Business level.

The Company is faced with various risks at an operational level which often have the potential to offer business opportunities. Some of the main risks are discussed herein:

Macro-Economic Risks

Most of the OEMs manufacturing passenger vehicles in India are clients of PPAP. Over the last five years, the automobile demand in India has improved on the back of new model launches. Any slowdown in demands for passenger vehicles and unforeseen regulatory or other changes such as interest rate hike, petrol price increases, various types of cesses, global slowdown, etc. could impact the business of the Company. The Company has no control over risks affecting the overall macro economy.

Foreign Exchange Risk

The Company imports a part of its raw material used in the manufacturing of extrusion sealing parts. Therefore, the Company’s profitability is sensitive to volatility in foreign currency exchange rates and specifically, exposed to fluctuations in Japanese Yen. Changes in foreign currency exchange rates may have an impact on the pricing of the Company’s products and materials, financial condition and operational results. However, the management closely monitors currency risks and institutes suitable hedging mechanisms to mitigate the risks.

Raw Material and Supply Risk

The procurement of raw materials used for manufacturing the products from external sources is a risk for the Company. The Company keeps a watch on the movement of commodity prices and maintains the suitable inventory for the operating cycle. Any sharp increase in the prices globally may have an adverse affect on the manufacturing costs and margins of the Company.

Financial Performance

i. Total Revenue

The Company’s total revenue has decreased from ₹ 322.64 crores in FY15 to ₹ 304.06 crores in FY16. The Company continues to secure the orders for new models being developed by its customers. The Company also continues to focus on enhancing its product portfolio for each passenger vehicle.

The Company is also focusing on increasing its offerings and its presence across all vehicle manufacturers.

ii. Profit and EBIDTA margin

The Company’s Earning Before Interest Depreciation, Tax and Amortization (EBIDTA) increased from ₹ 40.36 crores in FY15 to ₹ 52.06 crores in FY16, registering a growth of 29%. Although the EBIDTA margin for the FY16 increased by 4.53% (17.20% in FY16 from 12.67% in FY15), the Profit After Tax (PAT) increased by 26.93%

to ₹ 15.27 crores in FY16 (from ₹ 12.03 crores in FY15). The Company's management continues to focus on improving the overall efficiencies of each and every operation of the Company.

iii. Earnings Per Share (EPS)

The Company recorded an EPS of ₹ 10.91 per equity share of ₹ 10 each on 14,000,000 Equity Shares, an increase of 27.01% compared to previous year.

Internal Control System and their adequacy

Your company has robust internal systems and processes in place for the smooth and foolproof conduct of the businesses. The internal control systems are regularly checked by both external and internal auditors who have access to all records and information about the Company. Internal control system is continuously evolving and consists of a set of rules, procedures and organizational structures which aim to:

- 1) ensure that corporate strategy is implemented;
- 2) achieve effective and efficient corporate processes;
- 3) safeguard the value of corporate assets;
- 4) ensure the reliability and integrity of accounting and management data; and
- 5) ensure that operations comply with all existing rules and regulations.

The Company also has a comprehensive budgetary monitoring control system in place. Actual performance is appraised with reference to budgeted performance by the management on continuous basis. The divergences of actual performance with the budget are examined on a regular basis and corrective actions are recommended by the management, in consultation with the audit committee.

Internal Controls over Financial Reporting

The Company has in place adequate internal financial controls commensurate with the size, scale, and complexity of the operations. During the year, such controls were tested and no reportable material weakness in the design or operations were observed. The Company has policies and procedures in place for ensuring the proper and efficient conduct of its business, 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.

The Company has adopted accounting policies which are in line with the accounting standards and the Companies Act, 2013. These are in accordance with generally accepted accounting principles in India. Changes in policies, if required, are made in consultation with the auditors and are approved by the audit committee of the Company.

Human Resources

People are a key resource for your Company. Your Company believes that a winning culture is essential to its success. This begins with the way all the employees are treated, protecting their health and safety, rewarding their performance, developing their holistic potential, seeking their counsel and promoting diversity and inclusiveness. To support this, your Company has established the principles of good labor standards, equal opportunity for employment, ethical work environment, respect and health, regard for diversity and believes in following a code of conduct in order to further cultivate a culture of social responsibility at all levels. The Company's organization structure is intended to enable the organization to be more collaborative, agile and streamlined in implementing strategy, harnessing internal functional expertise to the fullest for enhancing stakeholders' value.

As on 31st March, 2016, your Company had 1,004 employees on its rolls. Due to the continuous focus on the development of people's Knowledge, Attitude, Skills and Habits, the Company's attrition rate was 4%, well below the industry average of around 15%.

Cautionary Statement

Statements in the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward looking within the meaning of applicable securities laws and regulations. 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, input availability and prices, changes in government regulations, tax laws, economic developments within the Country and other factors such as litigation and industrial relations.

Annexure - F to the Directors' Report

Form No. MR-3 **SECRETARIAL AUDIT REPORT** For The Financial Year Ended 31st March, 2016

[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,
PPAP AUTOMOTIVE LIMITED
(CIN: L74899DL1995PLC073281)
(Formerly Precision Pipes and Profiles Company Limited)
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 31st March, 2016 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, 2016 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, 1992 (upto 14th May, 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (w.e.f. 15th May, 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 (w.e.f 28th October, 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 Companies 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 Bombay Stock Exchange Limited since the date of its listing;and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- Not applicable as the Company has not done any Buyback 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
 - 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 as notified by Ministry of Corporate Affairs w.e.f. 1st July, 2015; and
- (ii) The Listing Agreement entered into by the Company with Bombay Stock Exchange and National Stock Exchange of India Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 w.e.f. 1st December, 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.

I further report that during the audit period the Company has not taken any major decision.

For VLA Associates
Company Secretaries

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

Place : New Delhi
Date : 19th May, 2016

Annexure- G 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 in 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
Mrs. Vinay Kumari Jain : Non-Executive Director
Mr. Abhishek Jain : Executive Director

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

Average net profit: ₹ 55,638,331

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

The Company is required to spend ₹1,201,815 towards CSR Activities.

v) Details of CSR spend for the financial year:

- a. Total amount spent for the financial year : ₹ 989,123
b. Amount unspent, if any : ₹ 221,692
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	Locations (Unit)	Amount Spent on the project or programs	Cumulative Expenditure upto reporting period	Amount spent: Direct or through implementing agency
Donation to schools for upliftment of financially weaker students	Promoting education and providing infrastructure in education	Uttar Pradesh	651,123	1,763,080	Direct
Donation for disaster relief, health check-up programmes – free medicines and medical check for poor people.	Medical aid and promoting health care	Chennai city, State of Tamil Nadu	338,000	338,000	Direct
TOTAL			989,123	2,101,080	

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:

Currently, your Company is focusing to provide the educational and other facilities for the upliftment of financially weaker students. Further, the Company has spent on the providing the free medicines and health checkup for financially weaker people and the balance amount is already allocated towards these activities.

Place : Noida
Date : 19th May, 2016

Ajay Kumar Jain
Chairman & Managing Director
DIN: 00148839

Ashok Kumar Jain
Chairman of CSR Committee
DIN: 06881412

Annexure- H to the Directors' Report

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

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

A. Energy Conservation

Your Company continues its efforts in conserving energy in various forms through energy conservation projects, use of alternate sources and resources, continuous monitoring, change and improvement, etc. Regular efforts are made to optimize process parameters, modernize the Plant & Machinery and upgrade the Technology and Equipments.

1. All gas assisted injection molds shifted to all electric and servo hydraulics energy efficient machines.
2. Use of High Volume Low Speed Fans in place of wall fans.
3. Replacement of ordinary air conditioners with energy efficient new technology VRV air conditioners.
4. Replacement of DC motors in Extrusion lines with AC motors.
5. Use of motor with variable frequency drive on injection molding machines.
6. Replacement of hydraulic system to electric system in injection molding machines.
7. Installation of sensors to automatically stop the equipment during idle time.
8. Solenoid valve used in chilled water line to maintain the temperature as per requirement.
9. Use of star rated equipments.
10. Replacement to alternate source of lighting (from CFL to LED).
11. Awareness for sensitivity towards improvement of Energy Conservation.

B. Technology Absorption and Research & Development

- Development of new products and processes related to automotive sealing systems and injection molded products.
- Continuous product quality improvement through process adherence and improvement.
- Optimization of products and processes to reduce waste.
- Research on productivity for increasing efficiency.

The benefits derived like product improvement, cost reduction, product development or import substitution:

- Reduction of power consumption cost.
- Process optimization.
- Increased operational efficiency.
- Waste reduction.

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

- a) The details of technology imported:
 - a. Automotive sealing systems technology imported from Tokai Kogyo Co. Limited, Japan;
 - b. Interior & exterior injection molded technology from Nissen Chemitec Corporation, Japan; and
 - c. Designing & manufacturing of tool technology from Tokai Kogyo Seiki Co. Limited, Japan.
- b) 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.
- c) Whether the technology been fully absorbed: Yes.
- d) If not fully absorbed areas where absorption has not taken place, and the reasons thereof:

The technology has been fully absorbed.

C. Foreign Exchange Earnings and Outgo

(₹ in crores)

Particulars	For the year ended	
	31 st March, 2016	31 st March, 2015
Foreign Exchange Earning	0.08	-
Foreign Exchange Outgo	60.01	85.60



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, 2016, 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. 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, 2016, 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.
 - (e) On the basis of the written representations received from the Directors as on 31st March, 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2016 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, 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 34 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. There has been no delay in transferring amounts, required to be transferred during the year, to the Investor Education and Protection Fund by the Company.

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

Place : Noida
Dated : 19th May, 2016

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, 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 (I) 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	August 2003 to August 2004	Appellate Tribunal (CESTAT), Delhi	7,072,066
Excise Duty	May 2004 to July 2004	Appellate Tribunal (CESTAT), Delhi	211,792
Income Tax	A.Y. 2003-2004	Appellate Tribunal (ITAT), Delhi	55,655
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 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, 2016.
- 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 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 : 19th May, 2016

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, 2016, 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 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, 2016, 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 : 19th May, 2016

Atul Bagla
Partner
Membership No. 091885

Balance Sheet as at 31st March, 2016

Amount in ₹

Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
Share capital	1	140,000,000	140,000,000
Reserves and surplus	2	1,964,266,944	1,845,246,256
		2,104,266,944	1,985,246,256
2. Non-current liabilities			
Long-term borrowings	3	441,987,298	507,061,175
Deferred tax liabilities (net)	4	59,583,198	37,914,519
Long-term provisions	5	51,500,857	44,599,358
		553,071,353	589,575,052
3. Current liabilities			
Short-term borrowings	6	144,811,733	170,332,603
Trade payables	7	205,707,956	247,542,908
Other current liabilities	8	279,138,849	240,987,082
Short-term provisions	9	25,088,082	24,682,587
		654,746,620	683,545,180
Total		3,312,084,917	3,258,366,488
II. ASSETS			
1. Non-current assets			
Fixed assets	10		
Tangible assets		1,862,978,193	1,844,100,442
Intangible assets		76,829,068	83,567,561
Capital work-in-progress		4,509,678	993,777
Intangible assets under development		-	1,136,741
Non-current investments	11	375,420,000	375,380,000
Long-term loans and advances	12	75,854,632	79,500,190
Other non-current assets	13	16,741,275	3,917,922
Total		2,412,332,846	2,388,596,633
2. Current assets			
Current investments	14	19,747	-
Inventories	15	367,015,630	273,888,553
Trade receivables	16	381,830,948	390,790,265
Cash and bank balances	17	3,365,199	13,567,952
Short-term loans and advances	18	147,520,547	191,523,085
Total		899,752,071	869,769,855
Grand total		3,312,084,917	3,258,366,488

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 : 19th May, 2016

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

Whole Time Director

DIN: 00137651

Sonia Bhandari

Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2016

Amount in ₹

Particulars	Note No.	Year ended 31.03.2016	Year ended 31.03.2015
Revenue			
Revenue from operations	19	3,486,060,320	3,621,402,359
Less: Excise Duty		458,537,206	436,365,661
		3,027,523,114	3,185,036,698
Other income	20	13,034,774	41,411,599
Total revenue		3,040,557,888	3,226,448,297
Expenses			
Cost of materials consumed	21	1,607,144,718	1,929,615,627
Change in inventories	22	(4,126,103)	(46,293,025)
Employee benefits expense	23	470,435,018	413,963,129
Other expenses	24	433,445,091	480,030,453
Total expenses		2,506,898,724	2,777,316,184
Earnings before interest, tax, depreciation and appropriations (EBITDA)		533,659,164	449,132,113
Finance cost	25	78,401,412	75,398,163
Depreciation and amortization	10	227,591,212	215,360,593
Profit / (Loss) before exceptional & extraordinary items and tax		227,666,540	158,373,357
Extraordinary items		-	-
Profit / (Loss) before tax		227,666,540	158,373,357
Tax expenses :			
Current tax	26	53,277,031	27,845,295
Deferred tax		21,668,679	10,228,218
Net Profit / (Loss) for the year		152,720,830	120,299,844
Earnings per equity share :	27		
(1) Basic		10.91	8.59
(2) Diluted		10.91	8.59

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 : 19th May, 2016

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
Whole Time Director
DIN: 00137651

Sonia Bhandari
Company Secretary

Cash Flow Statement for the year ended 31st March, 2016

Amount in ₹

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	227,666,540	158,373,357
Adjusted for		
Depreciation	227,591,212	215,360,593
(Profit) / loss on sale of fixed assets	1,278,779	(25,571,326)
Unrealized foreign exchange (gain)/loss	7,739,780	(7,601,704)
Interest received	(4,688,571)	(1,398,569)
(Profit)/Loss on sale of investment	(59,747)	-
Interest paid	78,401,412	71,299,641
Operating profit before working capital changes	537,929,405	410,461,992
Adjusted for		
(increase) / decrease in trade & other receivables	53,159,299	(28,410,866)
(increase) / decrease changes in inventories	(93,127,077)	28,022,817
Increase / (decrease) changes in trade & other payables	(37,816,116)	(7,081,967)
Changes in loans & advances	(12,062,686)	(20,986,795)
Cash generated from operations	448,082,825	382,005,181
Income tax paid	(37,568,787)	(20,136,357)
Cash flow before extraordinary items	410,514,038	361,868,824
Net cash from operating activities (A)	410,514,038	361,868,824
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (net) including CWIP & intangibles	(243,388,409)	(461,009,711)
Investment in joint venture	(40,000)	(130,080,000)
(Purchase of investments)/Proceeds from sale of investments (net)	40,000	-
Interest received	4,688,571	1,398,569
Net cash used in investing activities (B)	(238,699,838)	(589,691,142)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds / (repayments) of long term borrowings (net)	(65,073,877)	355,800,640
Proceeds / (repayments) of short term borrowings (net)	(25,520,869)	(59,377,755)
Investment in bank deposits	(12,823,353)	8,182,078
Interest paid	(78,401,412)	(71,299,641)
Net Cash used in Financing Activities (C)	(181,819,511)	233,305,322
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(10,005,310)	5,483,004
Cash and cash equivalents at the beginning of the year	12,511,258	7,028,254
Cash and cash equivalents at the end of the year	2,505,948	12,511,258
Components of cash and cash equivalents		
Cash on hand	2,152,126	3,389,797
With banks		
on current account	353,822	9,121,460
on deposit account	-	-
Total	2,505,948	12,511,258

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 : 19th May, 2016

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
Whole Time 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.
- d) Leasehold land is amortised over the period of lease.

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 Profit & Loss in 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 or sale, are added to the cost of those assets until such time the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for 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, 2016

Amount in ₹

1	Share Capital	As at 31.03.2016	As at 31.03.2015
	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 31.03.2016	As at 31.03.2015
	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 Equity shares carry voting rights at the general meeting of the company and are entitled to dividend.

- 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 31.03.2016		As at 31.03.2015	
	No. of shares	% held	No. of shares	% held
Ajay Kumar Jain	4,007,680	28.63	4,007,680	28.63
Abhishek Jain	1,002,404	7.16	1,002,404	7.16
Kalindi Farms Private Limited	1,807,591	12.91	1,793,093	12.81
Vinay Kumari Jain	931,890	6.66	1,416,890	10.12

- 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, 2016

Amount in ₹

2 Reserves and Surplus	As at 31.03.2016	As at 31.03.2015
Securities Premium Account (A)	700,000,000	700,000,000
General Reserve		
Opening balance	100,895,228	96,169,103
Less: Amount withdrawn from reserve		7,273,875
Add: Transferred from statement of profit & loss	15,000,000	12,000,000
Total (B)	115,895,228	100,895,228
Surplus in the statement of profit & loss		
As per last balance sheet	1,044,351,028	952,850,344
Add : Profit for the year	152,720,830	120,299,844
Profit available for appropriation	1,197,071,858	1,073,150,188
Less : Transferred to general reserve	15,000,000	12,000,000
Less : Interim Dividend Paid [dividend per share ₹ 1 (previous year nil)]	14,000,000	-
Less : Provision for final dividend per share ₹ 1 (previous year dividend per share ₹ 1)	14,000,000	14,000,000
Less : Tax on dividend	5,700,142	2,799,160
Closing Balance (C)	1,148,371,716	1,044,351,028
Total (A)+(B)+(C)	1,964,266,944	1,845,246,256

3 Long-Term Borrowings	As at 31.03.2016	As at 31.03.2015
Secured		
Rupee Term loans		
-From banks & financial institutions	395,938,027	455,000,000
Vehicle loans		
-From banks	46,049,271	52,061,175
Total	441,987,298	507,061,175

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 Kasna, Greater Noida. The charges are ranked pari-passu with the charges shared with other multiple 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 base rate+0.80% p.a. Presently 10.15%
ICICI Bank Limited	Repayable in 20 quarterly installments	30-Jun-15	31-Mar-20	ICICI bank base rate+0.80% p.a. Presently 10.15%
HDFC Bank Limited		24-Oct-14	24-Jul-19	HDFC bank base rate+1.60% p.a. Presently 10.90%

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

Loan of ₹ 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.

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

Notes on Financial Statements for the year ended 31st March, 2016

Amount in ₹

4	Deferred Tax Liabilities / (Assets)	As at 31.03.2016	As at 31.03.2015
	Deferred tax liability		
	Related to depreciation on fixed assets	68,446,516	49,122,478
	Deferred tax asset		
	Disallowances under the Income Tax Act, 1961	8,863,318	11,207,959
	Net deferred tax liability / (assets)	59,583,198	37,914,519
	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 31.03.2016	As at 31.03.2015
	Provision for employee benefits		
	Gratuity	43,579,005	37,601,324
	Leave encashment	7,921,852	6,998,034
	Total	51,500,857	44,599,358
6	Short-Term Borrowings	As at 31.03.2016	As at 31.03.2015
	Secured		
	Working capital loans from banks	133,679,579	48,614,161
	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.		
		144,811,733	48,614,161
	Unsecured		
	Working capital loan from banks	-	121,718,442
		-	121,718,442
	Total	144,811,733	170,332,603
	There is no default in repayment of interest on above loans		
7	Trade Payables	As at 31.03.2016	As at 31.03.2015
	Dues to Micro & Small Enterprises (refer Note No. 35)	17,501,962	24,938,869
	Other Trade Payables	188,205,994	222,604,039
	Total	205,707,956	247,542,908

Notes on Financial Statements for the year ended 31st March, 2016

Amount in ₹

8 Other Current Liabilities	As at 31.03.2016	As at 31.03.2015
Current maturity of long-term debt : Secured		
Term loans from banks	140,000,000	140,000,000
Vehicle loans from banks	16,754,562	13,299,618
Interest accrued, but not due on borrowings	2,158,409	2,711,431
Amount payable in respect of purchase of fixed assets	16,228,713	30,933,439
Unpaid dividends	782,996	904,947
Security deposits	150,400	150,400
Statutory dues	23,256,380	24,638,944
Advance from customers	77,146,487	27,933,773
Provision for expenses	2,660,902	414,530
Total	279,138,849	240,987,082
9 Short-Term Provisions	As at 31.03.2016	As at 31.03.2015
Provision for employee benefits:		
Gratuity	4,450,772	3,941,534
Leave encashment	1,360,571	1,098,634
Provision for dividend	14,000,000	14,000,000
Provision for tax on dividend	2,850,071	2,799,160
Provision for wealth tax	-	130,000
Provision for excise duty on closing stock of finished goods	2,426,668	2,713,259
Total	25,088,082	24,682,587

Notes on Financial Statements for the year ended 31st March, 2016

Amount in ₹

10 Fixed Assets

S. No.	Name of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.2015	Additions	Sale/ adjustment	As at 31.03.2016	Upto 31.03.2015	For the year	Sale/ adjustment	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
(A)	Tangible Assets										
	Land	168,948,457	7,451,558	18,802,611	157,597,404	9,677,218	1,446,086	59,275	11,067,030	146,530,374	159,271,238
	Factory Building	664,504,747	15,048,282	-	679,553,029	91,775,647	21,277,825	-	113,053,472	566,499,557	572,729,100.42
	Plant & Machinery	1,357,342,871	131,409,012	-	1,488,751,884	498,169,846	118,801,273	-	616,971,119	871,780,764	859,173,025
	Furniture & fixtures	40,744,161	5,817,460	-	46,561,621	9,794,202	4,210,821	-	14,005,023	32,556,598	30,949,959
	Vehicle	114,194,193	18,160,567	1,463,816	130,890,944	25,391,873	13,741,165	753,369	38,379,669	92,511,275	88,802,322
	Office Equipment	32,705,846	6,649,347	-	39,355,193	16,775,023	5,716,410	-	22,491,434	16,863,759	15,930,822.13
	Dies & Moulds	481,071,976	55,720,444	97,233,133	439,559,288	378,289,323	31,490,679	94,753,030	315,026,972	124,532,316	102,782,852.77
	Computer	37,875,306	4,536,955	4,179,806	38,232,455	23,413,982	7,237,797	4,122,875	26,528,904	11,703,550	14,461,324
	Total	2,897,387,555	244,793,626	121,679,366	3,020,501,816	1,053,287,115	203,922,056	99,685,549	1,157,523,623	1,862,978,193	1,844,100,442
(B)	Intangible Assets										
	Technical Know How	144,509,038	12,351,493	-	156,860,531	70,139,692	20,420,465	-	90,560,158	66,300,373	74,369,346
	Computer Software	22,360,520	4,579,171	-	26,939,691	13,162,305	3,248,691	-	16,410,995	10,528,695	9,198,215
	Total	166,869,558	16,930,664	-	183,800,222	83,301,997	23,669,156	-	106,971,153	76,829,068	83,567,561
(C)	Capital work in progress										
	Plant & Machinery	-	17,543,747	13,675,718	3,868,029	-	-	-	-	3,868,029	-
	Building Construction	993,777	1,524,219	1,876,347	641,649	-	-	-	-	641,649	993,777
	Intangible Assets	1,136,741	100,843	1,237,584	-	-	-	-	-	-	1,136,741
	Total	2,130,518	19,168,809	16,789,649	4,509,678	-	-	-	-	4,509,678	2,130,518
	Grand 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	1,929,798,521
	Previous Year Total	2,713,029,240	891,523,262	538,164,870	3,066,387,631	1,047,117,289	222,634,469	133,162,643	1,136,589,111	1,929,798,522	1,665,851,950

Notes on Financial Statements for the year ended 31st March, 2016

Amount in ₹

11 Non-Current Investments	As at 31.03.2016	As at 31.03.2015
(Unquoted - trade investments)		
Investment in equity shares of joint venture		
37,500,000 (previous year 37,500,000) equity shares of ₹ 10/- each of PPAP Tokai India Rubber Private Limited	375,300,000	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 Nil) equity shares of ₹ 10/- each of PPAP Automotive Systems Private Limited	40,000	-
Total	375,420,000	375,380,000
12 Long-Term Loans and Advances (unsecured and considered good)	As at 31.03.2016	As at 31.03.2015
Capital advances	25,439,000	21,170,000
Security deposits	18,036,430	14,263,975
Other loans and advances:		
Prepaid expenses	5,840,254	1,819,023
Advance tax (net of income tax provisions amounting to ₹ 46,348,410 (previous year ₹ 29,500,000))	12,354,234	40,592,487
MAT credit entitlement	14,184,714	1,654,705
Total	75,854,632	79,500,190
13 Other Non-Current Assets	As at 31.03.2016	As at 31.03.2015
Bank deposits (having maturity more than 12 months; held as security against letter of credit and bank guarantees)	16,741,275	3,917,922
Total	16,741,275	3,917,922
14 Current Investments (Quoted-other investments)	As at 31.03.2016	As at 31.03.2015
Investment in mutual funds (Market Value ₹ 20,296/-)	19,747	-
Total	19,747	-

Notes on Financial Statements for the year ended 31st March, 2016

Amount in ₹

15 Inventories	As at 31.03.2016	As at 31.03.2015
Raw materials	218,011,944	162,038,986
Consumables	1,465,830	581,216
Finished goods	21,840,011	24,419,327
Work-in-process	125,697,845	86,849,024
Total	367,015,630	273,888,553

16 Trade Receivables	As at 31.03.2016	As at 31.03.2015
Trade Receivables -unsecured (Outstanding for a period exceeding six months from the date they are due for payment)		
Considered good	189,401	952,140
Considered doubtful	-	400,769
	189,401	1,352,909
Less : Provision for doubtful debts	-	400,769
	189,401	952,140
Other receivables		
Considered good	381,641,547	389,838,125
Total	381,830,948	390,790,265

17 Cash and Bank Balances	As at 31.03.2016	As at 31.03.2015
Cash and cash equivalents		
Balance with banks		
In current account	353,822	9,121,461
Cash on hand	2,152,126	3,389,797
	2,505,948	12,511,258
Other bank balances		
Earmarked balances with banks	859,251	1,056,694
Total	3,365,199	13,567,952

Notes on Financial Statements for the year ended 31st March, 2016

Amount in ₹

18 Short-Term Loans and Advances (unsecured and considered good)	As at 31.03.2016	As at 31.03.2015
Duty and taxes receivable	45,770,323	83,011,488
Staff advances	692,180	851,250
Prepaid expenses	11,077,315	8,873,288
Advance to trade payables	89,980,729	98,787,059
Total	147,520,547	191,523,085

19 Revenue from operations	As at 31.03.2016	As at 31.03.2015
Sales of Products		
Automotive Parts	3,384,630,053	3,268,704,240
Molds	78,106,802	351,168,969
Sales of Services		
Income from job work and services	3,253,806	1,529,150
	3,465,990,661	3,621,402,359
Other operating income		
VAT Subsidy	20,069,659	-
Total	3,486,060,320	3,621,402,359

20 Other Income	As at 31.03.2016	As at 31.03.2015
Interest received	4,688,571	1,398,569
Profit on sale of investment	59,747	-
Profit on sale of assets	-	25,571,326
Rental income	7,524,000	6,840,000
Difference of exchange rate in foreign transactions	-	7,601,704
Unclaimed balances written back	514,802	-
Miscellaneous income	247,654	-
Total	13,034,774	41,411,599

21 Particulars Of Material Consumed	As at 31.03.2016	As at 31.03.2015
Raw materials	1,292,436,920	1,661,051,945
Accessories	226,029,961	192,403,880
Others	88,677,837	76,159,802
Total	1,607,144,718	1,929,615,627

21.1 Cost of Materials Consumed

Items	2015-16		2014-15	
		(% age)		(% age)
Imported	472,489,439	29.40	737,280,778	38.21
Indigenous	1,134,655,279	70.60	1,192,334,849	61.79
	1,607,144,718	100.00	1,929,615,627	100.00

Notes on Financial Statements for the year ended 31st March, 2016

Amount in ₹

22 Changes in inventories	As at 31.03.2016	As at 31.03.2015
(A) Opening stock		
Finished goods	24,419,327	43,542,265
Work-in-process of in-house manufactured molds	60,184,214	-
Work-in-process	21,510,701	16,278,951
	106,114,242	59,821,216
(B) Closing stock		
Finished goods	21,840,011	24,419,327
Work-in-process of in-house manufactured molds	38,966,920	60,184,214
Work-in-process	27,333,606	21,510,701
	88,140,537	106,114,242
(C) Work-in-process used in fixed assets	22,099,807	-
Total (A-B-C)	(4,126,103)	(46,293,025)

23 Employee benefits expense	As at 31.03.2016	As at 31.03.2015
Salaries and wages	417,021,870	368,810,594
Contribution to provident fund and other funds	20,147,256	17,901,067
Staff welfare expense	33,265,892	27,251,468
Total	470,435,018	413,963,129

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:

	31.03.2016	31.03.2015
Discounting rate	8.00	7.75
Future salary increase	6.25	6.25
Expected rate of return on plan assets	-	-
Demographic assumption		
Retirement age (years)	58.00	58.00
Mortality table	IALM (2006-08)	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

Notes on Financial Statements for the year ended 31st March, 2016

Amount in ₹

		31.03.2016	31.03.2015
23.3	Change in present value of obligation		
	<i>Gratuity (Unfunded)</i>		
	a) Present value of obligation as at the beginning of the period	41,542,858	31,530,876
	b) Acquisition / adjustment	-	-
	c) Interest cost	3,219,571	2,680,124
	d) Past service cost		-
	e) Current service cost	4,874,162	4,327,617
	f) Curtailment cost / (credit)	-	-
	g) Settlement cost / (credit)	-	-
	h) Benefits paid	(834,508)	(1,339,291)
	i) Actuarial (gain) / loss on obligation	(772,306)	(4,343,532)
	j) Present value of obligation as at the end of period	48,029,777	41,542,858
23.4	Expense recognized in the statement of profit and loss	31.03.2016	31.03.2015
	<i>Gratuity (Unfunded)</i>		
	a) Current service cost	4,874,162	4,327,617
	b) Past service cost	-	-
	c) Interest cost	3,219,571	2,680,124
	d) Expected return on plan assets	-	-
	e) Curtailment cost / (credit)	-	-
	f) Settlement cost / (credit)	-	-
	g) Net actuarial (gain) / loss recognized in the period	772,306	4,343,532
	h) Expenses recognized in the statement of profit & loss	7,321,427	11,351,273
23.5	Reconciliation statement of expense in the statement of profit and loss	31.03.2016	31.03.2015
	<i>Gratuity (Unfunded)</i>		
	a) Present value of obligation as at the end of period	48,029,777	41,542,858
	b) Present value of obligation as at the beginning of the period	41,542,858	31,530,876
	c) Benefits paid	834,508	1,339,291
	d) Actual return on plan assets	-	-
	e) Acquisition adjustment	-	-
	f) Expenses recognized in the statement of profit & loss	7,321,427	11,351,273
23.6	Movement in the Liability recognized in the Balance Sheet	31.03.2016	31.03.2015
	<i>Gratuity (Unfunded)</i>		
	a) Opening net liability	41,542,858	31,530,876
	b) Expenses as above	7,321,427	11,351,273
	c) Benefits paid	(834,508)	(1,339,291)
	d) Actual return on plan assets	-	-
	e) Acquisition adjustment	-	-
	f) Closing net liability	48,029,777	41,542,858

Notes on Financial Statements for the year ended 31st March, 2016

Amount in ₹

23.7	Change in present value of obligation related to leave encashment	31.03.2016	31.03.2015
	<i>Leave Encashment (Unfunded)</i>		
	a) Present value of obligation as at the beginning of the period	80,96,668	6,713,492
	b) Acquisition adjustment	-	-
	c) Interest cost	6,27,492	570,647
	d) Past service cost	-	-
	e) Current service cost	14,64,075	1,323,060
	f) Curtailment cost / (credit)	-	-
	g) Settlement cost / (credit)	-	-
	h) Benefits paid	(21,88,452)	(932,715)
	i) Actuarial gain / (loss) on obligation	12,82,640	(422,184)
	j) Present value of obligation as at the end of period	92,82,423	8,096,668
23.8	Expense recognized in the statement of profit and loss	31.03.2016	31.03.2015
	<i>Leave Encashment (Unfunded)</i>		
	a) Current service cost	14,64,075	1,323,060
	b) Past service cost	-	-
	c) Interest cost	6,27,492	570,647
	d) Expected return on plan assets	-	-
	e) Curtailment cost / (credit)	-	-
	f) Settlement cost / (credit)	-	-
	g) Net actuarial gain / (loss) recognized in the period	12,82,640	(422,184)
	h) Expenses recognized in the statement of profit & loss	33,74,207	2,315,891
23.9	Reconciliation statement of expense in the statement of profit and loss	31.03.2016	31.03.2015
	<i>Leave Encashment (Unfunded)</i>		
	a) Present value of obligation as at the end of period	92,82,423	8,096,668
	b) Present value of obligation as at the beginning of the period	80,96,668	6,713,492
	c) Benefits paid	21,88,452	932,715
	d) Actual return on plan assets	-	-
	e) Acquisition adjustment	-	-
	f) Expenses recognized in the statement of profit & loss	33,74,207	2,315,891
23.10	Movement in the liability recognized in the balance sheet	31.03.2016	31.03.2015
	<i>Leave Encashment (Unfunded)</i>		
	a) Opening net liability	80,96,668	6,713,492
	b) Expenses as above	33,74,207	2,315,891
	c) Benefits paid	(21,88,452)	(932,715)
	d) Actual return on plan assets	-	-
	e) Acquisition adjustment	-	-
	f) Closing net liability	92,82,423	8,096,668

Notes on Financial Statements for the year ended 31st March, 2016

Amount in ₹

24 Other Expenses	As at 31.03.2016	As at 31.03.2015
Consumption of stores and spare parts	21,280,430	29,331,681
Power and fuel	80,123,419	85,753,269
Other manufacturing expense	20,576,290	41,732,905
Factory expenses	18,609,961	23,529,983
Rent	12,881,839	11,773,936
Repair & maintenance		
- Buildings	10,606,416	13,138,419
- Machinery	16,838,263	23,208,862
- Others	11,575,709	7,810,129
Insurance	5,942,581	2,857,771
Excise duty on stocks	1,415,669	(1,695,493)
Rates and taxes	2,887,193	3,687,559
Payment to collaborators/royalty	36,556,896	38,632,882
CSR expenses *	989,123	1,111,957
Printing & stationery	12,801,874	13,810,188
Postage & telephone expenses	6,490,104	6,398,795
Fees & subscription	2,577,096	1,635,188
Directors' sitting fees	1,021,900	954,538
Legal & professional fees	27,617,299	22,798,454
Bank charges	2,038,267	2,380,102
Auditors' remuneration	1,491,987	685,000
Travelling & conveyance	41,573,768	34,133,042
Factory security	7,121,677	6,724,161
Motor car expenses	2,844,893	2,863,569
Office electricity	45,059	130,754
Charity & donation	190,975	72,510
Listing expenses	458,962	301,601
Loss on sale of fixed assets	1,278,779	-
Advertisement & sales promotion	4,791,602	4,906,489
Rebate and discount	338,959	5,995,054
Freight & forwarding expenses	68,634,529	89,366,782
Sundry balances written off	-	1,462,710
Difference of exchange rate in foreign transactions	7,739,780	-
Miscellaneous expenses	4,103,791	4,537,657
Total	433,445,091	480,030,453

* Total amount of ₹1,112,767 (previous year ₹ 1,201,005) was required to be incurred towards CSR activities as per Section 135 of the Companies Act, 2013. The Company has incurred ₹ 989,123 (previous year ₹ 1,111,957) during the financial year in the field of education and health.

Notes on Financial Statements for the year ended 31st March, 2016

Amount in ₹

24.1 Auditors' Remuneration **	As at 31.03.2016	As at 31.03.2015
As audit fee	490,000	375,000
For tax audit, certification & tax representation	640,000	110,000
For other matters	343,498	200,000
For reimbursement of expenses	18,489	-
Total	1,491,987	685,000
** Exclusive of service tax		
25 Finance Cost	As at 31.03.2016	As at 31.03.2015
Interest expenses	76,599,228	71,299,641
Other borrowing costs	1,802,184	4,098,522
Total	78,401,412	75,398,163
26 Current Tax	As at 31.03.2016	As at 31.03.2015
Provision for tax on income	74,178,419	29,500,000
Short/(excess) Provision for earlier year	6,928,621	-
Adjustment for MAT credit entitlement	(27,830,009)	(1,654,705)
Total	53,277,031	27,845,295
27 Earning Per Share (EPS) (basic & diluted)	As at 31.03.2016	As at 31.03.2015
Profit attributable to the Equity Shareholders	152,720,831	120,299,845
Number of equity shares	14,000,000	14,000,000
Earning per share (basic / diluted)	10.91	8.59
28 Earnings In Foreign Exchange	As at 31.03.2016	As at 31.03.2015
FOB value of exports	804,191	-
Total	804,191	-
29 Value of import on C I F basis	As at 31.03.2016	As at 31.03.2015
Raw material	484,773,026	650,049,534
Stores & spares	2,460,010	3,215,532
Capital goods	64,147,716	130,127,527
Total	551,380,752	783,392,593

Notes on Financial Statements for the year ended 31st March, 2016

Amount in ₹

30 Expenditure in Foreign Currency	Year ended on 31.03.2016	Year ended on 31.03.2015
Payment to collaborators	42,452,352	68,742,176
Foreign travel	6,308,366	4,033,524
Total	48,760,718	72,775,700

31 Foreign currency exposures which are not hedged as at Balance Sheet date

Particulars	USD	JPY	EURO
31st March, 2016			
Trade payables - foreign currency	35,789	68,829,519	-
Trade payables - ₹	2,493,343	393,112,320	-
Receivables / Advances - foreign currency	129,294	9,052,020	9,832
Receivables / Advances - ₹	8,684,141	5,296,246	744,388
31st March, 2015			
Trade payables - foreign currency	183,463	115,346,284	-
Trade payables - ₹	11,497,886	62,276,115	-
Receivables / Advances - foreign currency	94,607	1,350,000	-
Receivables / Advances - ₹	5,936,430	709,290	-

32 Related Party Disclosures

32A 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 - Whole Time 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

Notes on Financial Statements for the year ended 31st March, 2016

Amount in ₹

32B Summary of the transactions with the above related parties in the ordinary course of business are as follows:

Nature of transaction	Related Parties where common control exists		Joint Ventures		Key Management Personnel and relatives of the Key Management Personnel		Associates	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Material/license purchases	-	875,160	-	-	-	-	-	-
Sales	-	-	2,982,791	14,066,580	-	-	-	-
Sale of fixed assets	-	-	-	3,017,808	-	-	-	-
Rent & lease charges paid	8,197,320	8,089,920	-	-	-	-	-	-
Remuneration paid	-	-	-	-	9,630,720	7,200,000	-	-
Sitting fee paid	-	-	-	-	260,000	240,000	-	-
Investment in equity shares	-	-	-	130,000,000	-	-	40,000	80,000
Receipts for other services*	-	-	31,579,294	28,087,158	-	-	-	-
Receipts from slump sale	-	-	-	-	-	-	-	-
Balance outstanding at the year end :	-	-	-	-	-	-	-	-
Amount Recoverable	-	-	1,359,811	4,439,495	-	-	-	-

*Other Services include management support fee, reimbursement of expenses, job work charges and rental income from PPAP Tokai India Rubber Private Limited.

33 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".

34 Contingent Liabilities & Commitments	As at 31.03.2016	As at 31.03.2015
Contingent Liabilities not provided for in respect of :		
Letters of guarantees	80,938,027	-
Letters of credit	9,821,678	37,263,760
Income tax appeal		
For assessment year 2003-04	55,655	55,655
For assessment year 2009-10	-	2,690,995
For assessment year 2010-11	1,876,894	2,939,730
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	7,283,858	7,283,858
Demand towards delay in commencement of production alongwith stipulated investment Company's plant at Pathredi claimed by RIICO	10,357,127	-
Commitments :		
Retention charges and capital commitments (net of advances)	54,102,374	31,621,920

Notes on Financial Statements for the year ended 31st March, 2016

Amount in ₹

Notes :-

- (i) A demand of ₹ 55,655/- has been raised for the assessment year 2003-04. However an appeal is pending before the Hon'ble CIT Appeal.
- (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 under Section 9 of Central Sales Tax Act R/W 23(3) of Delhi Sales Tax Act, 1975 wherein demand of ₹ 166,697/- was raised which was reduced to ₹ 113,957/- vide review order. The Company had deposited a sum of ₹ 68,516/- being undisputed demand and Company had filed an appeal against the balance demand of ₹ 45,441/- 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 out of total demand of ₹ 351,890/- the Company had deposited ₹ 306,449/- being undisputed demand.
- (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.
- (vii) Demand of excise duty of ₹ 105,896/- along with penalty of ₹ 105,896/- 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 ₹ 3,536,033/- along with penalty of ₹ 3,536,033/- 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. 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. (The case relates to the period August 2003 - August 2004).
- (ix) With reference to Company's plant at Pathredi, RIICO has raised a demand of ₹ 10,357,127/- towards delay in commencement of production alongwith stipulated investment. The Company has contested the same with RIICO Limited, Bhiwadi, Rajasthan to drop the demand.

Notes on Financial Statements for the year ended 31st March, 2016

Amount in ₹

35 Dues to Micro & Small Enterprises *	As at 31.03.2016	As at 31.03.2015
Principal amount outstanding	17,727,653	24,938,869
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.		
36 Additional Information pursuant to Para 5 of Part-II of Schedule III of the Companies Act, 2013	As at 31.3.2016	As at 31.3.2015
Particulars of Sales & Stocks		
Opening Stock		
Automotive Parts	24,419,327	43,542,265
Sales		
Automotive Parts	3,384,630,053	3,268,704,240
Molds	78,106,802	351,168,969
Closing Stock		
Automotive Parts	21,840,011	24,419,327
37 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.		
C. The Company has not provided any guarantee during the year.		
D. The Company has not provided any security during the year.		
38 Balances of certain debtors, creditors, loans and advances are subject to confirmation.		
39 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.		
40 The previous year's figures have been accordingly regrouped / reclassified to conform 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
Whole Time Director
DIN: 00137651

Place : Noida
Date : 19th May, 2016

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, 2016, 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. 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 and the audit evidence obtained by other auditors in terms of their reports referred to in para of the “Other Matters” below, 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, and based on consideration of the reports of other auditors of its associates companies, 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 2016, 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 and report of other auditors.
 - (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.
 - (e) On the basis of the written representations received from the directors of holding company and Joint Venture Company as on 31st March, 2016 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 are disqualified as on 31st March, 2016 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 considering the opinion of other auditors of associates companies 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, 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 34 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. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the holding company and its subsidiary companies wherever applicable.

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

Place : Noida
Dated : 19th May, 2016

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, 2016, 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 Associates 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 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.

Auditor's 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 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, 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 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, 2016, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to three associates companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Place : Noida
Dated : 19th May, 2016

Atul Bagla
Partner
Membership No. 091885

Consolidated Balance Sheet as at 31st March, 2016

Amount in ₹

Particulars	Note No.	31.03.2016
I. EQUITY AND LIABILITIES		
1. Shareholders' funds		
Share capital	1	140,000,000
Reserves and surplus	2	1,915,328,308
		2,055,328,308
2. Non-current liabilities		
Long-term borrowings	3	441,987,297
Deferred tax liabilities (net)	4	59,583,198
Long- term provisions	5	52,454,882
		554,025,377
3. Current liabilities		
Short-term borrowings	6	144,811,733
Trade payables	7	223,290,658
Other current liabilities	8	280,560,279
Short-term provisions	9	25,308,814
		673,971,484
Total		3,283,325,169
II. ASSETS		
1. Non-current assets		
Fixed assets	10	
Tangible assets		2,088,011,180
Intangible assets		84,438,638
Capital work-in-progress		12,079,616
Non-current investments	11	72,482
Long-term loans and advances	12	76,025,420
Other non-current assets	13	16,741,275
Total		2,277,368,611
2. Current assets		
Current investments	14	17,763,716
Inventories	15	389,508,146
Trade receivables	16	401,163,114
Cash and bank balances	17	9,918,693
Short-term loans and advances	18	187,602,889
Total		1,005,956,558
Grand Total		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

Atul Bagla

Partner

(Membership No. 091885)

Place : Noida

Date : 19th May, 2016

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

Whole Time Director

DIN: 00137651

Sonia Bhandari

Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31st March, 2016

Amount in ₹

Particulars	Note No.	31.03.2016
Revenue		
Revenue from operations	19	3,663,953,146
Less: Excise Duty		477,643,449
		3,186,309,697
Other income	20	10,858,336
Total revenue		3,197,168,033
Expenses		
Cost of materials consumed	21	1,706,039,834
Change in inventories	22	(4,618,070)
Employee benefits expense	23	497,790,310
Other expenses	24	457,362,631
Total expenses		2,656,574,706
Earnings before interest, tax, depreciation and appropriations (EBITDA)		540,593,327
Finance cost	25	78,689,658
Depreciation and amortization	10	246,707,220
Profit / (Loss) before exceptional & extraordinary items and tax		215,196,449
Extraordinary items		
Profit / (Loss) before tax		215,196,449
Tax expenses :		
Current tax	26	53,277,031
Deferred tax		21,668,679
Net Profit / (Loss) for the year		140,250,739
Earnings per equity share :	27	
(1) Basic		10.02
(2) Diluted		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

Atul Bagla
Partner
(Membership No. 091885)
Place : Noida
Date : 19th May, 2016

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
Whole Time Director
DIN: 00137651
Sonia Bhandari
Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2016

Amount in ₹

Particulars	For the year ended 31.03.2016
A. CASH FLOW FROM OPERATING ACTIVITIES	
Net profit before tax and extraordinary items	215,196,447
Adjusted for	
Depreciation	246,707,220
(Profit) / loss on sale of fixed assets	1,295,297
Unrealized foreign exchange (gain) / loss	7,606,016
Interest received	(4,745,558)
(Profit) / Loss on sale of investment	(1,798,982)
Interest paid	78,689,658
Operating profit before working capital changes	542,950,098
Adjusted for	
(increase) / decrease in trade & other receivables	46,798,750
(increase) / decrease changes in inventories	(98,632,047)
Increase / (decrease) changes in trade & other payables	(29,596,198)
Changes in loans & advances	(11,853,936)
Cash generated from operations	449,666,667
Income tax paid	(36,737,792)
Cash flow before extraordinary items	412,928,875
Net cash from operating activities (A)	412,928,875
B. CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of fixed assets (net) including CWIP & intangibles	(273,212,471)
Investment in joint venture	24,714,527
(Purchase of investments) / Proceeds from sale of investments (net)	122,466
Interest received	4,745,558
Net cash used in investing activities (B)	(243,629,920)
C. CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds / (repayments) of long term borrowings (net)	(65,073,877)
Proceeds / (repayments) of short term borrowings (net)	(25,520,869)
Investment in bank deposits	(12,823,353)
Interest paid	(78,689,657)
Net Cash used in Financing Activities (C)	(182,107,756)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(12,808,800)
Cash and cash equivalents at the beginning of the year	21,851,808
Cash and cash equivalents at the end of the year	9,043,008
Components of cash and cash equivalents	
Cash on hand	2,458,623
With banks	
on current account	6,584,385
on deposit account	
Total	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 : 19th May, 2016

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
Whole Time 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.

d) Leasehold land is amortised over the period of lease.

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 Profit & Loss in 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 or sale, are added to the cost of those assets until such time the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for 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, 2016

Amount in ₹

1	Share Capital	As at 31.03.2016
	Equity Share Capital	
	Authorized Capital	
	20,000,000 equity share of per value of ₹ 10/- each	600,000,000
	(Previous year 20,000,000 equity share of per value ₹10/- each)	
		600,000,000
	Issued, subscribed and paid-up capital	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
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	
		Number of Shares
	Balance at the beginning of the year	14,000,000
	Issued during the year	-
	Balance at the end of the year	14,000,000
1.2	Equity shares carry voting rights at the general meeting of the company and are entitled to dividend.	
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 31.03.2016
		No. of shares % held
	Ajay Kumar Jain	4,007,680 28.63
	Abhishek Jain	1,002,404 7.16
	Kalindi Farms Private Limited	1,807,591 12.91
	Vinay Kumari Jain	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.	
2	Reserves and Surplus	As at 31.03.2016
	Securities Premium Account (A)	700,000,000
	General Reserve	
	Opening balance	100,895,228
	Less: Amount withdrawn from reserve	-
	Add: Transferred from statement of profit & loss	15,000,000
	Total (B)	115,895,228
	Surplus in the statement of profit & loss	
	As per last balance sheet	1,007,882,482
	Add : Profit for the year	140,250,740
	Profit available for appropriation	1,148,133,222
	Less : Transferred to general reserve	15,000,000
	Less : Interim Dividend Paid [dividend per share ₹1 (previous year nil)]	14,000,000
	Less : Provision for final dividend per share ₹ 1(previous year dividend per share ₹1)	14,000,000
	Less : Tax on dividend	5,700,142
	Closing Balance (C)	1,099,433,080
	Total (A)+(B)+(C)	1,915,328,308

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

Amount in ₹

3	Long-Term Borrowings	As at 31.03.2016
	Secured	
	Rupee Term loans	
	-From banks & financial institutions	395,938,026
	Vehicle loans	
	-From banks	46,049,271
	Total	441,987,297

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 Kasna, Greater Noida. The charges are ranked pari-passu with the charges shared with other multiple bankers.

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 base rate+0.80% p.a. Presently 10.15%
ICICI Bank Limited	Repayable in 20 quarterly installments	30-Jun-15	31-Mar-20	ICICI bank base rate+0.80% p.a. Presently 10.15%
HDFC Bank Limited		24-Oct-14	24-Jul-19	HDFC bank base rate+1.60% p.a. Presently 10.90%

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

Loan of ₹ 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.

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

4	Deferred Tax Liabilities / (Assets)	As at 31.03.2016
	Deferred tax liability	
	Related to depreciation on fixed assets	68,446,516
	Deferred tax asset	
	Disallowances under the Income Tax Act, 1961	8,863,318
	Net deferred tax liability / (assets)	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 31.03.2016
	Provision for employee benefits	
	Gratuity	43,951,245
	Leave encashment	8,503,637
	Total	52,454,882

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

Amount in ₹

6	Short-Term Borrowings	As at 31.03.2016
	Secured	
	Working capital loans from banks	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	144,811,733
	There is no default in repayment of interest on above loans	
7	Trade Payables	As at 31.03.2016
	Dues to Micro & Small Enterprises (refer Note No. 35)	17,727,653
	Other Trade Payables	205,563,005
	Total	223,290,658
8	Other Current Liabilities	As at 31.03.2016
	Current maturity of long-term debt : Secured	
	Term loans from banks	140,000,000
	Vehicle loans from banks	16,754,562
	Interest accrued, but not due on borrowings	2,158,409
	Amount payable in respect of purchase of fixed assets	16,480,843
	Unpaid dividends	782,996
	Security deposits	150,400
	Statutory dues	24,280,996
	Advance from customers	77,226,487
	Provision for expenses	2,725,586
	Total	280,560,279
9	Short-Term Provisions	As at 31.03.2016
	Provision for employee benefits:	
	Gratuity	4,452,266
	Leave encashment	1,396,269
	Provision for dividend	14,000,000
	Provision for tax on dividend	2,850,071
	Provision for excise duty on closing stock of finished goods	2,610,208
	Total	25,308,814

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

Amount in ₹

10 Fixed Assets

S. No.	Name of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.2015	Additions	Sale / adjustment	As at 31.03.2016	Upto 31.03.2015	For the year	Sale / adjustment	Upto 31.03.2016	As at 31.03.2016	
(A)	Tangible Assets										
	Land	212,070,075	7,701,920	18,802,611	200,969,384	9,918,954	2,117,088	56,275	11,979,766	188,989,617	
	Factory Building	664,504,747	15,048,282	-	679,553,029	91,775,647	21,277,825	-	113,053,472	566,499,557	
	Plant & Machinery	1,522,676,373	149,006,195	155,295	1,671,527,273	511,028,497	130,287,041	18,777	641,296,761	1,030,230,511	
	Furniture & fixtures	41,828,840	6,548,662	-	48,377,502	9,883,550	4,350,245	-	14,233,795	34,143,707	
	Vehicle	114,196,443	18,799,122	1,463,816	131,531,749	25,392,157	13,746,513	753,369	38,385,302	93,146,447	
	Office Equipment	33,123,165	6,650,230	-	39,773,395	16,858,833	5,803,674	-	22,662,507	17,110,889	
	Dies & Moulds	510,593,800	56,806,954	97,233,133	470,167,621	382,746,991	36,333,243	94,753,030	324,327,203	145,840,417	
	Computer	38,635,690	4,681,807	4,179,806	39,137,691	23,678,505	7,532,027	4,122,875	27,087,657	12,050,034	
	Total	3,137,629,133	265,243,172	121,834,661	3,281,037,643	1,071,283,134	221,447,656	99,704,326	1,193,026,463	2,088,011,180	
(B)	Intangible Assets										
	Technical Know How	152,246,448	15,498,652	-	167,745,100	71,306,891	21,900,004	-	93,206,894	74,538,205	
	Computer Software	22,983,434	3,518,511	-	26,501,945	13,241,951	3,359,560	-	16,601,512	9,900,433	
	Total	175,229,882	19,017,163	-	194,247,045	84,548,842	25,259,564	-	109,808,406	84,438,638	
(C)	Capital work in progress										
	Plant & Machinery	-	17,543,748	13,675,718	3,868,030	-	-	-	-	3,868,030	
	Building Construction	993,777	9,094,156	1,876,347	8,211,586	-	-	-	-	8,211,586	
	Intangible Assets	1,298,665	115,843	1,414,508	-	-	-	-	-	-	
	Total	2,292,442	26,753,747	16,966,573	12,079,616	-	-	-	-	12,079,616	
	Grand 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, 2016

Amount in ₹

11	Non-Current Investments	As at 31.03.2016
	(Unquoted - trade investments)	
	Investment in equity shares of associates	
	4,000 (previous year 4,000) equity shares of ₹ 10/- each of PPAP Automotive Chennai Private Limited	14,338
	4,000 (previous year 4,000) equity shares of ₹ 10/- each of PPAP Automotive Technology Private Limited	24,736
	4,000 (previous year Nil) equity shares of ₹ 10/- each of PPAP Automotive Systems Private Limited	33,408
	Total	72,482
12	Long-Term Loans and Advances	As at 31.03.2016
	(unsecured and considered good)	
	Capital advances	25,439,000
	Security deposits	18,201,280
	Prepaid expenses	5,840,254
	Advance tax (net of income tax provisions amounting to ₹ 46,348,410 (previous year ₹ 29,500,000))	12,360,172
	MAT credit entitlement	14,184,714
	Total	76,025,420
13	Other Non-Current Assets	As at 31.03.2016
	Bank deposits (having maturity more than 12 months; held as security against letter of credit and bank guarantees)	16,741,275
	Total	16,741,275
14	Current Investments	As at 31.03.2016
	(Quoted-other investments)	
	Investment in mutual funds (Market Value ₹ 18,600,099)	17,763,716
	Total	17,763,716
15	Inventories	As at 31.03.2016
	Raw materials	237,180,289
	Consumables	1,465,830
	Finished goods	23,491,872
	Work-in-process	127,370,155
	Total	389,508,146

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

Amount in ₹

16	Trade Receivables	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	189,401
	Considered doubtful	-
		189,401
	Less : Provision for doubtful debts	-
		189,401
	Other receivables	
	Considered good	400,973,713
	Total	401,163,114
17	Cash and Bank Balances	As at 31.03.2016
	Cash and cash equivalents	
	Balance with banks	
	In current account	6,584,384
	Cash on hand	2,458,624
		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)	16,434
	Earmarked balances with banks	859,251
		875,685
	Total	9,918,693
18	Short-Term Loans and Advances	As at 31.03.2016
	(unsecured and considered good)	
	Duty and taxes receivable	85,025,625
	Staff advances	697,180
	Prepaid expenses	11,426,045
	Advance to trade payables	90,444,039
	Security deposits	10,000
	Total	187,602,889
19	Revenue from Operations	As at 31.03.2016
	Sales	
	Automotive Parts	3,562,992,422
	Molds	77,597,532
	Sales of Services	
	Income from job work and services	3,293,533
		3,643,883,487
	Other operating income	
	VAT Subsidy	20,069,659
	Total	3,663,953,146

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

Amount in ₹

20	Other Income	As at 31.03.2016
	Interest received	4,745,558
	Profit on sale of investment	1,798,982
	Rental income	3,239,333
	Difference of exchange rate in foreign transactions	133,764
	Unclaimed balances written back	514,802
	Miscellaneous income	425,897
	Total	10,858,336

21	Particulars of Material Consumed	As at 31.03.2016
	Raw materials	1,377,299,928
	Accessories	226,029,961
	Others	102,709,945
	Total	1,706,039,834

21.1	Cost of Materials Consumed	Year ended on 31.03.2016	
	Items	₹	(% age)
	Imported	537,621,276	31.51
	Indigenous	1,168,418,558	68.49
		1,706,039,834	100.00

22	Changes in Inventories	As at 31.03.2016
(A)	Opening stock	
	Finished goods	26,782,194
	Work-in-process of in-house manufactured molds	60,184,214
	Work-in-process	23,471,432
		110,437,840
(B)	Closing stock	
	Finished goods	23,491,872
	Work-in-process of in-house manufactured	38,966,920
	Work-in-process	29,005,916
		91,464,708
(C)	Inventory used in fixed assets	23,591,202
	Total (A-B-C)	(4,618,070)

23	Employee Benefits Expense	As at 31.03.2016
	Salaries and wages	442,621,659
	Contribution to provident fund and other funds	20,696,932
	Staff welfare expense	34,471,719
	Total	497,790,310

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

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

a) 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).

b) 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:

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

23.3 Change in present value of obligation

Gratuity (Unfunded)

	31.03.2016
a) Present value of obligation as at the beginning of the period	41,765,574
b) Acquisition / adjustment	-
c) Interest cost	3,236,832
d) Past service cost	
e) Current service cost	5,021,492
f) Curtailment cost / (credit)	-
g) Settlement cost / (credit)	-
h) Benefits paid	(850,904)
i) Actuarial (gain) / loss on obligation	(769,483)
j) Present value of obligation as at the end of period	48,403,511

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

Amount in ₹

23.4	Expense recognized in the statement of profit and loss	31.03.2016
	<i>Gratuity (Unfunded)</i>	
	a) Current service cost	5,021,492
	b) Past service cost	-
	c) Interest cost	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	775,130
	h) Expenses recognized in the statement of profit & loss	7,488,841
23.5	Reconciliation statement of expense in the statement of profit and loss	31.03.2016
	<i>Gratuity (Unfunded)</i>	
	a) Present value of obligation as at the end of period	48,403,511
	b) Present value of obligation as at the beginning of the period	41,765,574
	c) Benefits paid	850,904
	d) Actual return on plan assets	-
	e) Acquisition adjustment	-
	f) Expenses recognized in the statement of profit & loss	7,488,841
23.6	Movement in the Liability recognized in the Balance Sheet	31.03.2016
	<i>Gratuity (Unfunded)</i>	
	a) Opening net liability	41,765,574
	b) Expenses as above	7,488,841
	c) Benefits paid	(850,904)
	d) Actual return on plan assets	-
	e) Acquisition adjustment	-
	f) Closing net liability	48,403,511
23.7	Change in present value of obligation related to leave encashment	31.03.2016
	<i>Leave Encashment (Unfunded)</i>	
	a) Present value of obligation as at the beginning of the period	8,319,774
	b) Acquisition adjustment	-
	c) Interest cost	644,783
	d) Past service cost	-
	e) Current service cost	1,714,200
	f) Curtailment cost / (credit)	-
	g) Settlement cost / (credit)	-
	h) Benefits paid	(2,227,029)
	i) Actuarial gain / (loss) on obligation	1,448,178
	j) Present value of obligation as at the end of period	9,899,906

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

Amount in ₹

23.8	Expense recognized in the statement of profit and loss	31.03.2016
	<i>Leave Encashment (Unfunded)</i>	
	a) Current service cost	1,714,200
	b) Past service cost	-
	c) Interest cost	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	1,448,178
	h) Expenses recognized in the statement of profit & loss	3,720,569
23.9	Reconciliation statement of expense in the statement of profit and loss	31.03.2016
	<i>Leave Encashment (Unfunded)</i>	
	a) Present value of obligation as at the end of period	9,899,906
	b) Present value of obligation as at the beginning of the period	8,319,774
	c) Benefits paid	2,227,029
	d) Actual return on plan assets	-
	e) Acquisition adjustment	-
	f) Expenses recognized in the statement of profit & loss	3,807,160
23.10	Movement in the liability recognized in the balance sheet	31.03.2016
	<i>Leave Encashment (Unfunded)</i>	
	a) Opening net liability	8,319,774
	b) Expenses as above	3,807,160
	c) Benefits paid	(2,227,029)
	d) Actual return on plan assets	-
	e) Acquisition adjustment	-
	f) Closing net liability	9,899,906
24	Other Expenses	As at 31.03.2016
	Consumption of stores and spare parts	23,301,038
	Power and fuel	85,348,434
	Other manufacturing expense	20,576,290
	Factory expenses	19,395,087
	Rent	12,501,372
	Repair & maintenance	
	- Buildings	10,650,210
	- Machinery	16,838,263
	- Others	11,830,495
	Insurance	6,078,719
	Excise duty on stocks	1,658,568
	Rates and taxes	3,054,479

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

Amount in ₹

Payment to collaborators/royalty	39,482,230
CSR expenses *	989,123
Printing & stationery	13,254,276
Postage & telephone expenses	6,637,024
Fees & subscription	2,784,787
Directors' sitting fees	1,021,900
Legal & professional fees	27,710,635
Bank charges	2,127,407
Auditors' remuneration	1,640,512
Travelling & conveyance	43,181,888
Factory security	7,276,112
Motor car expenses	2,959,857
Office electricity	51,059
Charity & donation	190,975
Listing expenses	458,962
Loss on sale of fixed assets	1,295,297
Advertisement & sales promotion	4,851,645
Loss from associates	22,554
Rebate and discount	344,700
Freight & forwarding expenses	77,889,014
Sundry balances written off	13,775
Difference of exchange rate in foreign transactions	7,739,780
Miscellaneous expenses	4,206,164
Total	457,362,631

* Total amount of ₹1,112,767 (previous year ₹ 1,201,005) was required to be incurred towards CSR activities as per Section 135 of the Companies Act, 2013. The Company has incurred ₹ 989,123 (previous year ₹ 1,111,957) during the financial year in the field of education and health.

24.1 Auditors' Remuneration **	As at 31.03.2016
As audit fee	552,500
For tax audit, certification & tax representation	652,500
For other matters	417,023
For reimbursement of expenses	18,489
Total	1,640,512

** Exclusive of service tax.

25 Finance Cost	As at 31.03.2016
Interest expenses	76,887,474
Other borrowing costs	1,802,184
Total	78,689,658

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

Amount in ₹

26	Current Tax	As at 31.03.2016		
	Provision for tax on income	74,178,419		
	Short / (excess) Provision for earlier year	6,928,621		
	Adjustment for MAT credit entitlement account	(27,830,009)		
	Total	53,277,031		
27	Earning Per Share (EPS) (basic & diluted)	As at 31.03.2016		
	Profit attributable to the Equity Shareholders	140,273,292		
	Number of equity shares	14,000,000		
	Earning per share (basic / diluted)	10.02		
28	Earnings in Foreign Exchange	As at 31.03.2016		
	FOB value of exports	8,647,297		
	Total	8,647,297		
29	Value of Import on C I F Basis	As at 31.03.2016		
	Raw material	550,755,214		
	Stores & spares	2,628,374		
	Capital goods	75,899,734		
	Total	629,283,322		
30	Expenditure in Foreign Currency	As at 31.03.2016		
	Payment to collaborators	47,153,485		
	Foreign travel	6,438,625		
	Total	53,592,110		
31	Foreign Currency Exposures which are not Hedged as at Balance Sheet Date			
	Particulars	USD	JPY	EURO
	31 st March, 2016			
	Trade payables - foreign currency	35,789	68,829,519	-
	Trade payables - ₹	2,493,343	393,112,320	-
	Receivables / Advances - foreign currency	138,888	9,052,020	9,832
	Receivables / Advances - ₹	9,326,421	5,296,246	744,388
	31 st March, 2015			
	Trade payables - foreign currency	216,468	118,096,576	-
	Trade payables - ₹	13,563,669	63,709,292	-
	Receivables / Advances - foreign currency	113,794	1,350,000	-
	Receivables / Advances - ₹	7,137,332	709,290	-

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

Amount in ₹

32 Related Party Disclosures

32A 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 - Whole Time Director

Mr. Noboru Eto - Director (till 28.09.2015)

Mr. Yuichi Kimura - Director

Mr. Fumikazu Hosoda - Director (from 28.09.2015)

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

32B 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
	31.03.2016	31.03.2016	31.03.2016	31.03.2016
Material/license purchases	-	-	-	-
Sales	-	1,491,395	-	-
Sale of fixed assets	-	-	-	-
Rent & lease charges paid	8,197,320	-	-	-
Remuneration paid	-	-	9,630,720	-
Sitting fee paid	-	-	260,000	-
Investment in equity shares	-	-	-	40,000
Receipts for other services*	-	15,789,647	-	-
Receipts from slump sale	-	-	-	-
Balance outstanding at the year end :	-	-	-	-
Amount Recoverable	-	679,906	-	-

*Other Services include management support fee, reimbursement of expenses, job work charges and rental income from PPAP Tokai India Rubber Private Limited.

33 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".

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

Amount in ₹

34 Contingent Liabilities & Commitments	As at 31.03.2016
Contingent Liabilities not provided for in respect of :	
Letters of guarantees	80,938,027
Letters of credit	9,821,678
Income tax appeal	
For assessment year 2003-04	55,655
For assessment year 2010-11	1,876,894
For assessment year 2011-12	243,430
For assessment year 2012-13	300,190
Sales tax / VAT/ Entry tax	3,883,854
Civil suit	8,455,357
Central excise	7,283,858
Demand towards delay in commencement of production alongwith stipulated investment Company's plant at Pathredi claimed by RIICO	10,357,127
Commitments :	
Capital commitments (net of advances)	54,385,161
	177,601,231

Notes :-

- (i) A demand of ₹ 55,655/- has been raised for the assessment year 2003-04. However an appeal is pending before the Hon'ble CIT Appeal.
- (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 under Section 9 of Central Sales Tax Act R/W 23(3) of Delhi Sales Tax Act, 1975 wherein demand of ₹166,697/- was raised which was reduced to ₹113,957/- vide review order. The Company had deposited a sum of ₹ 68,516/- being undisputed demand and Company had filed an appeal against the balance demand of ₹ 45,441/- 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, out of total demand of ₹ 351,890/- the Company had deposited ₹ 306,449/- being undisputed demand.
- (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.
- (vii) Demand of excise duty of ₹ 105,896/- along with penalty of ₹ 105,896/- 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 ₹ 3,536,033/- along with penalty of ₹ 3,536,033/- 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. The Company had filed an appeal against the aforesaid order

Notes on Consolidated Financial Statements for the year ended 31st March, 2016

Amount in ₹

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. (The case relates to the period August 2003 - August 2004).

- (ix) With reference to Company's plant at Pathredi, RIICO has raised a demand of ₹ 10,357,127/- towards delay in commencement of production alongwith stipulated investment. The company has contested the same with RIICO Limited, Bhiwadi, Rajsthan to drop the demand.

35 Dues to Micro & Small Enterprises *	As at 31.03.2016
Principal amount outstanding	17,727,651
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.	
36 Additional Information pursuant to Para 5 of Part-II of Schedule III of the Companies Act, 2013	As at 31.03.2016
Particulars of Sales & Stocks	
Opening Stock	
Automotive Parts	26,782,194
Sales	
Automotive Parts	3,562,992,422
Molds	77,597,532
Closing Stock	
Automotive Parts	23,491,872.07

37 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. 31.

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

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

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

39 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.

40 The previous year's figures have been accordingly regrouped / reclassified to conform 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
Whole Time Director
DIN: 00137651

Place : Noida
Date : 19th May, 2016

Manish Dhariwal
Chief Financial Officer

Sonia Bhandari
Company Secretary

NOTES

[illegible]

[illegible]

NOTES

[illegible]

EMPLOYEE INVOLVEMENT ACTIVITIES



YOGA - INNER ENGINEERING



TOWN HALL MEETING



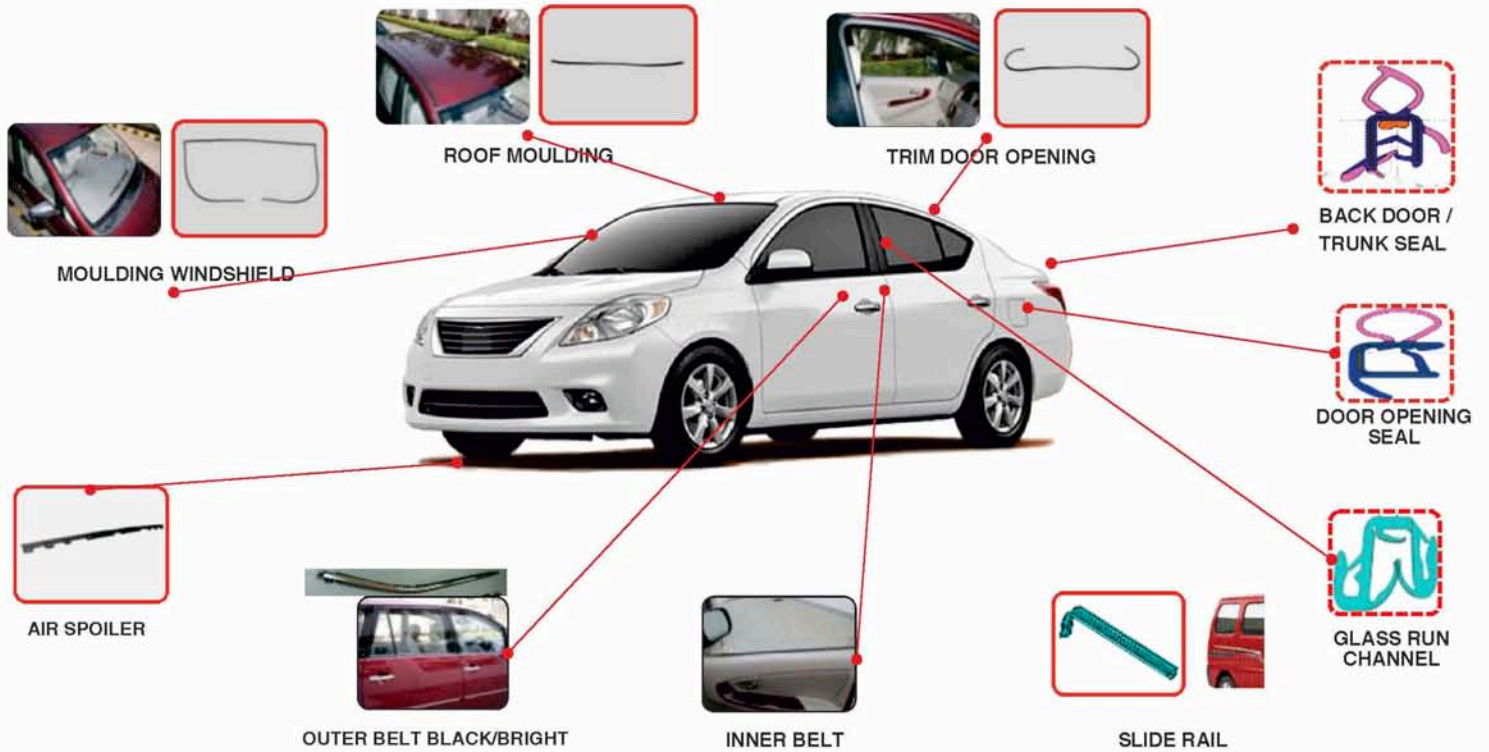
TPS ACTIVITIES



MERITORIOUS AWARD



EXTRUSION PRODUCTS



INJECTION MOLDING PRODUCTS



MANUFACTURING FACILITIES

CERTIFICATIONS

TS 16949

ISO 14001

OHSAS 18001



PLANT IV
PATHREDI, 2014



PLANT I
NOIDA, 1996



PLANT II
NOIDA, 2003



PLANT V
CHENNAI, 2012



PLANT III
GREATER NOIDA, 2008

- E** PLASTIC EXTRUSION
- I** INJECTION
- R** RUBBER EXTRUSION
- A** ASSEMBLY





BOOK-POST



If undelivered please return to:

PPAP Automotive Limited

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