



PPAP Automotive Limited

(Formerly Precision Pipes and Profiles Company Ltd.)

CIN NO. L74899DL1995PLC073281

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

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

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

September 15, 2014

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

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

Subject: Corrigendum to the 19th Annual Report 2013-14

NSE Scrip Code : PPAP


BSE Scrip Code: 532934

Dear Sir,

With reference to the captioned subject, we PPAP Automotive Limited, have dispatched to its shareholders the 19th Annual Report 2013-14 of the Company. We now send herewith the corrigendum to the 19th Annual Report.

This is for information and record.

Yours truly,
For **PPAP Automotive Limited**
(Formerly Precision Pipes and Profiles Company Limited)


Sonia Bhandari
Company Secretary



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CORRIGENDUM OF ANNUAL REPORT TO THE MEMBERS

We draw the kind attention of the Members towards the 19th Annual Report 2013-14 sent separately by post to the Members of the Company.

In the Annual Report 2013-14, at the bottom of the page No. 4 & 5, please read the date as '14.08.2014' instead of '27.05.2014', at page No. 10, in the details of Mr. Pravin Kumar Gupta, Committee Positions shall include: 'PPAP Automotive Limited-Chairman of Stakeholders Relationship Committee & Member of Audit Committee' and at page no. 16, in the Financial Calendar 2014-2015, please read the tentative schedule as 'on or before 14th February, 2015' instead of 'on or before 14th February 2014'. Since these are the factual errors, the same need to be corrected and shall be treated as amended to that extent.

The Corrigendum shall be read with the 19th Annual Report dispatched to the Members.

Yours truly,

For **PPAP Automotive Limited**

(Formerly Precision Pipes and Profiles Company Limited)

Sonia Bhandari
Company Secretary



PPAP Automotive Limited

(FORMERLY PRECISION PIPES AND PROFILES COMPANY LIMITED)

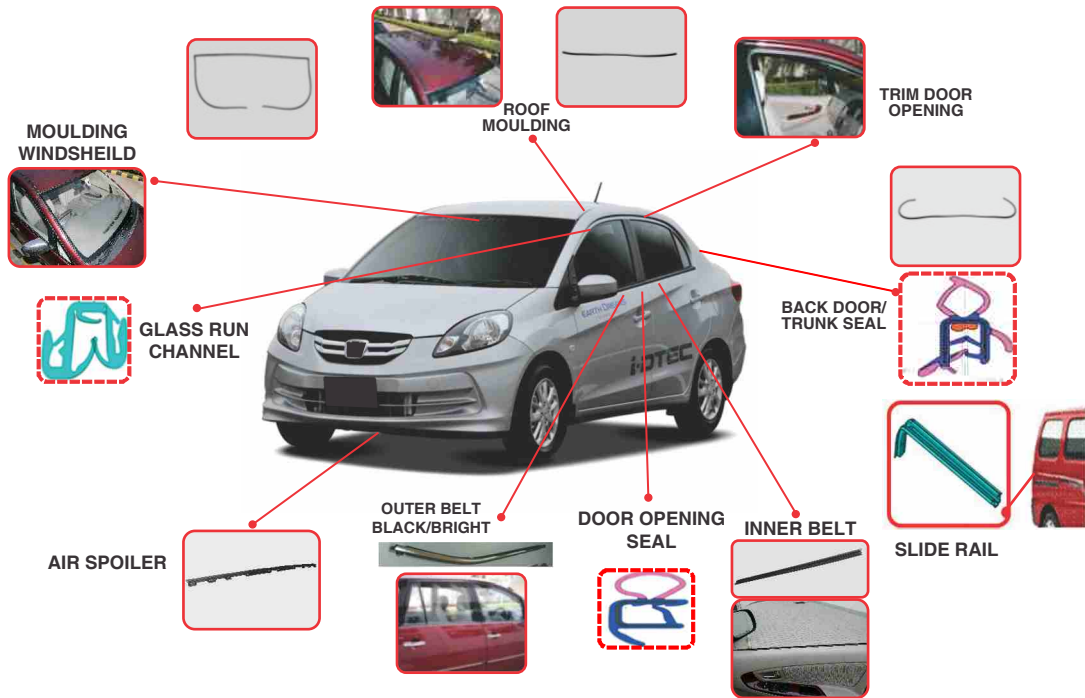
Annual Report 2013-14



Taking Challenges, Together



PRODUCTS - SEALING SYSTEMS



PRODUCTS - INTERIOR & EXTERIOR INJECTION





CORPORATE INFORMATION

BOARD OF DIRECTORS

(as on August 14, 2014)

Mr. Ajay Kumar Jain	Chairman & Managing Director
Mr. Bhuwan Kumar Chaturvedi	Non-Executive Independent Director
Mr. Ashok Kumar Jain	Non-Executive Independent Director
Mr. Pravin Kumar Gupta	Non-Executive Independent Director
Ms. Vinay Kumari Jain	Non-Executive Director
Mr. Abhishek Jain	Whole Time Director

CHIEF FINANCIAL OFFICER

Mr. Manish Dhariwal

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Sonia Bhandari

STATUTORY AUDITORS

M/s O. P. Bagla & Co.
Chartered Accountants

BANKERS

ICICI Bank Limited
HDFC Bank Limited
State Bank of India
Yes Bank Limited
Allahabad Bank

CIN - L74899DL1995PLC073281

REGISTERED OFFICE

54, Okhla Industrial Estate,
Phase III, New Delhi – 110020

CORPORATE OFFICE

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

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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PPAP AUTOMOTIVE LIMITED

(FORMERLY PRECISION PIPES AND PROFILES COMPANY LIMITED)

DIRECTORS' REPORT

Dear Members,
PPAP Automotive Limited

Your Directors are pleased to present their Nineteenth Annual Report together with the Audited Statement of Accounts for the Financial Year ended March 31, 2014.

FINANCIAL HIGHLIGHTS

We are delighted to present the highlights of the Financial Results of your Company for the year ended March 31, 2014.

Rs. in lakhs

Particulars	For the year ended	
	31-Mar-14	31-Mar-13
Total Revenue	25,525.02	21,959.12
Earnings before Interest, Tax, Depreciation and amortization expense	3,627.01	1,974.61
Less: Interest	304.04	114.18
Depreciation & Amortization	1,974.76	1,811.13
Profit/(Loss) before exceptional and extra-ordinary items and Tax	1,348.21	49.30
Add: Exceptional items	-	8.66
Profit/ (Loss) before Extraordinary items and tax (PBT)	1,348.21	57.96
Less: Extraordinary items	546.06	-
Profit/ (Loss) before tax (PBT)	802.15	57.96
Add/ (Less): Tax Expenses		
Current Tax	(331.39)	7.28
Deferred Tax	75.11	88.75
Profit/(Loss) for the period	545.87	153.99
Add : Profit brought forward from previous year	8,982.63	8,828.64
Balance available for appropriation	9,528.50	8,982.63

BUSINESS OPERATIONS

The Total Sales (net of excise) of your Company for FY 2013-14 stood at Rs. 24,675.69 lakhs as against Rs. 21,542.83 lakhs in the previous year showing an increase of 14.54%.

Profit after tax increased by 254.48% from Rs. 153.99 lakhs in 2012-13 to Rs. 545.87 in FY 2013-14.

During the year under review, the management has taken several measures to improve the operational efficiency and to reduce the costs.

Your Company is in the expansion mode and has started the commercial production at its new manufacturing facility at Pathredi (Rajasathan) in the month of May 2014. The Company has also increased the production volume at its existing manufacturing facility at Chennai.

The Company has during the year under review, introduced new technologies viz. SUS type Extrusion (Bright Stainless Steel type), Slide Rail (exclusive Extrusion process) and Rotary Stretch Bending, to meet the demands of its customers for the passenger car segments. The Company, continuously focuses on acquiring the latest technologies. It has received further orders for Injection Molding parts for latest models of Maruti Suzuki India Limited, the production of which shall start in FY 2015-16 from the Pathredi plant.

The Company through its Joint Venture, utilises the Rubber (Metal and Non-Metal) and TPO (Glass Run Channel) Extrusion technology for making the Automotive Sealing Extruded Parts. Now, the Company has all the technologies to cater the complete demand of our customer for the Sealing System parts.

TRANSFER OF "WHITE GOODS BUSINESS DIVISION" AND "MAINLINE POWER DISTRIBUTION SYSTEM BUSINESS DIVISION"

During the Financial Year 2013-14, the Company has transferred its White Goods Business Division" and "Mainline Power Distribution System Business Division" as a going concern on slump sale basis to its related entities, 'Ajay Poly Private Limited' and 'Seiki Auto India Private Limited' respectively.

CHANGE OF REGISTERED OFFICE

The Registered Office of your Company has been shifted from '4561, Deputy Ganj, Sadar Bazar, Delhi – 110006' to '54 Okhla Industrial Estate, Phase III, New Delhi-110020' with effect from May 8, 2013.

CHANGE OF CORPORATE OFFICE

The Corporate Office of your Company has been shifted from Company from 'B-II/29, Mohan Co-operatives Industrial Estate Badarpur, New Delhi to 'B-206A, Sector – 81, Phase – II, Noida - 201305' with effect from May 8, 2013.

CHANGE OF NAME OF THE COMPANY

The name of the Company has been changed from 'Precision Pipes and Profiles Company Limited' to '**PPAP Automotive Limited**' with effect from May 16, 2014, subsequent to the Members approval vide Special Resolution passed through Postal Ballot on April 3, 2014 and consequently upon receipt of approval from Ministry of Corporate Affairs.

DIRECTORS' REPORT

SUBSIDIARIES

The Company has no subsidiary as on March 31, 2014.

TECHNICAL COLLABORATION

The Technical Collaboration with Tokai Kogyo Co. Limited, Japan and Nissen Chemitec Corporation, Japan, continues to be active and the Company is receiving the requisite support, whenever required.

JOINT VENTURE COMPANY

The Joint Venture Company, PPAP Tokai India Rubber Private Limited, has started its operations in the Financial Year 2013-14 and started supplying automotive parts to Maruti Suzuki India Limited and Honda Cars India Limited to meet the demand for the passenger cars. The JV Company also exports to Thailand.

DIVIDEND

With a view to conserve the resources for future business requirements and expansion plans, your Directors are of view that the current year's profit be ploughed back into the operations and hence no dividend is recommended for the year under review.

FIXED DEPOSITS

During the year under review, your Company has not invited or accepted any Fixed Deposits from the Public pursuant to the provisions of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.

DIRECTORS

Mr. Ajay Kumar Jain and Mr. Abhishek Jain, in the past, were non-retiring Directors. However, in terms of the provisions of the Companies Act, 2013, the Board in its meeting held on August 14, 2014 categorized them as Directors liable to retire by rotation. Thus, Mr. Ajay Kumar Jain retires from the Board by rotation this year and being eligible, offers himself for re-appointment.

As per the provisions of the Companies Act, 2013, Independent Directors shall not be liable to retire by rotation. Accordingly, Mr. Pravin Kumar Gupta, who was earlier appointed by the Members as an Independent Director of the Company liable to retire by rotation, is proposed to be reappointed at the ensuing Annual General Meeting as an Independent Director not liable to retire by rotation for a period upto March 31, 2019. Your Board recommends the said appointment.

The Board of Directors of the Company co-opted Mr. Bhuwan Kumar Chaturvedi and Mr. Ashok Kumar Jain, as Additional Directors of the Company with effect from December 26, 2013 and May 27, 2014 respectively, in the category of Non-Executive Independent Directors and Ms. Vinay Kumari Jain, in the category of Non-Executive Director with effect from December 26, 2013, pursuant to Section 149, 161 of the Companies Act, 2013 read with the Articles of Association of the Company.

Mr. Bhuwan Kumar Chaturvedi, Ms. Vinay Kumari Jain and Mr. Ashok Kumar Jain, hold the office of Director, as Additional Directors, until the date of the ensuing Annual General Meeting of the Company and are eligible for appointment as the Directors. Keeping in view their experience and expertise, the Board considers it desirable that the Company should continue to avail the services of Mr. Bhuwan Kumar Chaturvedi, Ms. Vinay Kumari Jain and Mr. Ashok Kumar Jain, as their presence as Director on the Board would be of immense benefit to the Company. The Resolutions proposing their appointment will be placed before the Shareholders for their approval at the ensuing Annual General Meeting of the company.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. Sharat Chand Jain, Mr. Rajeev Jain, Mr. Anuj Jain have resigned from the Directorship of the Company with effect from April 29, 2013, Mr. Ashok Kumar Aggarwal with effect from November 20, 2013, Mr. Devendra Chandra Jain, with effect from December 30, 2013 and Mr. Manmohan Singh Kapur with effect from February 13, 2014. The Board of Directors placed on record their appreciation for the valuable services and guidance provided by them, during their tenure as Directors of the Company.

Brief resume/details of the Directors, who are to be appointed or re-appointed as mentioned herein above have been furnished in the Corporate Governance Report, forming part of the Annual Report. The Board recommends their appointment or re-appointment at the ensuing Annual General Meeting.

CORPORATE SOCIAL RESPONSIBILITY

The Companies Act, 2013 notified Section 135 of the Act concerning Corporate Social Responsibility alongwith the Rules made thereunder and revised Schedule VII to the Act on 27 February 2014 to come into effect from 1 April 2014.

The Company being covered under the provisions of the said section, has taken necessary initial steps in this regard. A Committee of the Directors, titled 'Corporate Social Responsibility Committee', has been formed by the Board in its meeting held on 27 May 2014, consisting of the following Directors:

1. Mr. Ashok Kumar Jain, Chairman
2. Ms. Vinay Kumari Jain
3. Mr. Abhishek Jain

The said section being enacted with effect from 1 April 2014, necessary details as prescribed under the said section shall be presented to the members in the Annual Report for the year 2014-15.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of our knowledge and belief and according to the information and explanations obtained, your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956:

- i. that in the preparation of Annual Accounts for the Financial Year ended March 31, 2014, the applicable Accounting Standards have been followed;
- ii. that appropriate accounting policies have been selected and applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profit of the Company for the Financial Year ended March 31, 2014;
- iii. that the proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with

PPAP AUTOMOTIVE LIMITED

(FORMERLY PRECISION PIPES AND PROFILES COMPANY LIMITED)

DIRECTORS' REPORT

the provisions of the Companies Act, 1956 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 March 31, 2014 have been prepared on a going concern basis.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A report on Management Discussion and Analysis is appended as Annexure to this report as per the requirements of Listing Agreement with Stock Exchanges.

CORPORATE GOVERNANCE

The Company has been making every effort to improve governance and transparency in the conduct of the business. Your Company is committed to good Corporate Governance coupled with good corporate practices.

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a report on Corporate Governance is annexed as a separate section and forms part of this Annual Report.

AUDITORS

M/s. O.P. Bagla & Co. (Firm Registration No. 000018N), Chartered Accountants, the statutory auditors of the Company, will retire at the conclusion of the ensuing Annual General Meeting and are eligible to hold office for a period of four years, upto 2018, pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, subject to the approval of the Members and thereafter, ratification by the Members annually.

The members are requested to appoint M/s. O.P. Bagla & Co. (Firm Registration No. 000018N), Chartered Accountants, as auditors for four years from the conclusion of the ensuing Annual General Meeting till the conclusion of the 23rd Annual General Meeting, in 2018.

The Notes on the Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

LISTING

The shares of the Company are presently listed on National Stock Exchange of India Limited ("NSE") and Bombay Stock Exchange Limited ("BSE").

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

Energy Conservation

The particulars in respect of Energy Conservation are not applicable to your Company in terms of Section 217(1) (e) read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

Technology Absorption and Research & Development

As required under Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the particulars relating to Technology Absorption and Research and Development as per Form B are given in Annexure 'A' annexed herewith, which forms a part of this Directors' Report.

Foreign Exchange Earnings and Outgo

Rs. in lakhs

Particulars	For the year ended	
	31-Mar-14	31-Mar-13
Foreign Exchange Earning		
(a) Export	1.15	70.32
Foreign Exchange Outgo		
(a) Payment to Collaborators	1236.63	1,150.14
(b) Directors/ Employees Visit abroad	92.76	55.13
(c) Raw Materials & Consumable Stores	5268.27	7,803.11
(d) Machinery, Dies and Moulds	1,284.28	1,555.57
(d) Interest on ECB	-	1.53

PARTICULARS OF EMPLOYEES

None of the employee of the Company is in receipt of the salary exceeding the limits of Rs. 60,00,000/- per annum or Rs. 5,00,000/- per month as specified by Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended by Companies (Particulars of Employees) Rules, 2011.

ACKNOWLEDGEMENT

Your Directors wish to convey their appreciation to all the Company's employees for their enormous efforts, as well as, their collective contribution to the Company's performance.

Your Directors acknowledge with gratitude the co-operation and continuous support extended by the technical collaborators viz. Tokai Kogyo Co. Ltd., Japan, and Nissen Chemitec Corporation, Japan.

Your Directors also take this opportunity to convey their thanks to the shareholders, suppliers and all other business associates for the continuous support given by them to the Company and their confidence reposed in the management.

For and on behalf of the Board of Directors

Place : Noida
Date : 14.08.2014

Ajay Kumar Jain
Chairman & Managing Director

Abhishek Jain
Whole Time Director

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE-A

FORM B

Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988. Form for Disclosure of Particulars with respect to Absorption 2013-14

Research and Development (R & D)

1. Specific areas in which R & D carried out by the Company : Designing and optimizing the manufacturing process for yield and quality improvement
2. Benefits derived as a result of the above R & D : Achieving customer delight and improvement in overall performance of the products.
3. Future plan of action : To maintain the above.
4. Expenditure on R & D
 - (a) Capital : N.A.
 - (b) Recurring : N A
 - (c) Total : N A
 - (d) Total R & D expenditure as a Percentage of total turnover : N A

Technology Absorption, Adaptation and Innovation

1. Efforts, in brief, made towards Technology Absorption, Adaptation and Innovation. : Progress was made during the year in development of new products, and up gradation of technology to manufacture automotive products.
2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development. : New products are being launched by the company to satisfy customer requirements
Overall improvement in Product performance
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:
 - (a) Technology Imported : Automotive Sealing System from Tokai Kogyo Co Ltd., Japan.
Interior and Exterior Injection Molded Products from Nissen Chemitec Corporation, Japan
 - (b) Year of Import : (a) Tokai Kogyo Co Ltd., Japan, since 1989
(b) Nissen Chemitec Corporation, Japan, since 2007
 - (c) Has technology been fully absorbed? : Yes
 - (d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action. : N.A.

For and on behalf of the Board of Directors

Place : Noida
Date : 14.08.2014

Ajay Kumar Jain
Chairman & Managing Director

Abhishek Jain
Whole Time Director

PPAP AUTOMOTIVE LIMITED

(FORMERLY PRECISION PIPES AND PROFILES COMPANY LIMITED)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Business Overview

PPAP Automotive Limited ("PPAP") is the principal manufacturer of Automotive Sealing Systems, Interior and Exterior Injection Molded Products. The Automotive Sealing system product range includes Outer Belt Moulding, Inner Belt Moulding, Windshield Moulding, Roof Moulding, Quarter Window Moulding, A-Pillar Garnish, B-Pillar Garnish, Body Side Moulding and Skirt Air Damper etc. The Company introduced new technologies viz. SUS type Extrusion (Bright Stainless Steel type) and Slide Rail to meet the demands of its customers for the passenger car segments. The Company also manufactures Injection molded products like Door Trims, Interior Pillars, Rear Parcel Shelf, Trunk Linings, and Fender Inner etc.

PPAP is the major supplier to 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 OEM's. The Company also caters the requirements of their respective Tier 1 suppliers. The Company has technical collaboration with Tokai Kogyo Co. Ltd, Japan, for Automotive Sealing System and Nissen Chemitec Corporation, Japan, for Injection Molded Products. The Company also has a Joint Venture with Tokai Kogyo Co. Ltd, Japan for manufacturing EPDM Rubber based Automotive System with products like Opening Trims, Hood Seals, Door Weatherstrip and TPV Glass Run Channels.

Industry Review

The year 2013-14 commenced with hopes of economic recovery, however ended as a year of uncertainty when expectations weathered serious setbacks. The deterioration in the Indian economic landscape created by lack of governance, policy and government spending impacted India's growth. The downward spiral in India's growth momentum, led by its persistently high inflation and slowing down of demand and investments in Infrastructure and Real Estate and deteriorating investment climate, pulled down the Industrial growth rate. Even as concerted efforts by the Government helped to address volatility in the foreign exchange market and narrow the current account deficit to a significant extent in the second half of FY 14, a number of factors continued to weigh heavily on industrial sector. The waning performance of the industrial sector, persistence of high consumer prices, inflation and interest rates, sluggishness in services sector and the weakening in private consumption and investment, resulted in subdued performance of many sectors.

Indian automobile industry is a major contributor to growth and development of Indian Economy. The auto industry currently employs more than 19.5 million people both directly and indirectly. The auto-industry is a key employment generator in the OEM segment that manufactures the vehicles, in the inbound auto component and logistics segment that makes and delivers components & systems and the outbound logistics and dealer network that sells, maintains and distributes the cars. Every vehicle produced, generates secondary and tertiary employment. The auto industry currently contributes 18% to excise revenue.

Car sales in India declined for a second straight year, with March sales also ending in the negative zone. Overall industry volumes slumped nearly 5%. Market leader Maruti managed a marginal rise, but most others saw sales dips. Domestic car sales in Financial Year 2013 -14 stood at 17,86,899 units as compared to 18,74,055 units in the previous fiscal. [Source: Society of Indian Automobile Manufacturers("SIAM")]

Future outlook

The rapid improvement in infrastructure, huge domestic market, increasing purchasing power, established financial markets and stable corporate governance framework have made the country a favorable destination for investment by global majors in the auto industry, as per Automotive Mission Plan (AMP) (2006-16).

Additionally, the introduction of alternative fuels like hydrogen and bio fuels need to be promoted to ensure sustainability of the industry over the long term. The vision of AMP 2006-2016 aims India to emerge as the destination of choice in the world for design and manufacture of automobiles and auto components with output reaching a level of US\$ 145 billion accounting for more than 10 per cent of the GDP and providing additional employment to 25 million people by 2016.

In addition, the US-based car major, Ford aims to make India its export hub and plans to sell its products in more than 50 countries over a period of time. The luxury car market of India is set for growth over the medium and long term. The market is about 30,000 cars a year and is rising steadily.

Awards & Recognition

PPAP continued its track record of superior performance with its customers. The Company was awarded the prestigious Trophy-'Overall Excellence Award-Gold Trophy' from India's Largest Car manufacturer Maruti Suzuki India Limited (MSIL) during their Annual Supplier Convention in Dubai held on 7th - 8th May, 2014. PPAP has also received the shield for achieving focused cost down in specific models from MSIL.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

PPAP also received Appreciation Certificate for achieving Targets in the category of Delivery and Special Effort in the area of Localisation from Toyota Kirloskar Motor Private Limited.

Opportunities and Threats

Opportunities

The growth of auto-ancillary is dependent on the automobile industry. India is being recognized as potential emerging auto market. The Indian passenger vehicle market is dominated by cars. Two-third of the auto components production is consumed directly by OEMs

As per industry estimates, out of the total turnover of the Indian auto components industry, around 60% is derived from sales to domestic OEMs, around 25% comes from sales to the domestic replacement market and around 15% is derived from exports.

The automobile industry has made investments worth Rs. 35,000 crores in the last three financial years and as a result the current production capacity for four-wheelers is of over 6.6 million. Thus the vehicle industry in India is currently carrying over 65% surplus capacity. India is still highly under penetrated. In India, there are only 16 passenger vehicles per'000 population, 5 commercial vehicles per'000 population and 85 two wheelers per'000 population. Globally, these figures are substantially higher. For instance, Germany has an estimated 518 cars per'000 population, Japan has 457 cars per'000 population and Thailand 68 cars per'000 population. In case of Commercial vehicles, the penetration in various countries is much higher – 388 in the USA, 121 in Japan, 86 in Thailand, etc. In two wheelers also, countries like Thailand (248), Indonesia (216), Japan (98), Germany (72), etc. have much higher penetration. (Source : SIAM)

There is big opportunity for the automotive component industries to meet the future demand of the automobile industry. The four wheeler demand is now growing slowly in small towns and rural areas of the country. Maruti has also got some benefit of the increased sales in rural areas during the current fiscal.

Indian Automobile component industry has been making rapid strides towards achievement of world class quality systems and reducing cost of production, which are the most important aspects for the automobile industry.

Threats

Key factors influencing the global car manufacturers have a ripple effect on the domestic automobile industry in different parts of the world, as well as, the auto ancillary industry which supplies parts to the auto industry. Internationally consumer preferences are determining the current styles, reliability, and performance standards of vehicles. Government regulations in relation to trade, safety, and environment etc. also make it necessary for modernization and changes in designs and production methods. Movement in oil prices also has an impact on demand for cars in India.

India continues to be an attractive destination for the global automotive players. To counter the threat of growing global competition, the Company is regularly bridging the quality gap between its products and foreign offerings while maintaining its low cost product development/sourcing advantage.

Further tightening of liquidity position, hardening of consumer interest rates would have an adverse impact in the domestic automobile market.

Outlook

Government has taken several policy initiatives and pro-active measures to enhance the effectiveness and drive growth in Automotive Sector. Major steps have been taken to make India a global automotive hub under the 'Automotive Mission Plan' for the period of 2006-2016. The Mission Plan aims to make India emerge as the destination of choice in the world for design and manufacture of automobiles and auto components.

Some of the other key initiatives include:

- Formation of National Automotive Board (NAB) to look into the issue of recall of vehicles that will result in improving manufacturing standards
- Reduction of excise duty on small cars
- Launch of the National Mission for Hybrid & Electric Vehicles under Budget FY12, to make hybrid vehicle kits cheaper by reducing the excise duty rebate to 5% from 10%
- State Government promoting industrial space especially in the automobile sector
- Open to Public Private Partnerships (PPP)
- Establishing special auto parks and virtual SEZ's for auto components industry by providing an interest subsidy on loans and investment in new plants and equipment
- Export benefits to intermediate suppliers of auto components against the Duty Free Replenishment Certificate (DFRC)
- Automatic approval for 100% Foreign Equity Investment in auto components

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Risks and Concerns

The Company is operating in the business of automotive components and the performance of auto component industry is largely dependent on the performance of automobile industry. The Company operates in an environment which is affected by various factors some of which are controllable, while others are outside the control of the Company. The Company is dependent on several factors such as changes in Government policies & legislation, economy's growth, market practices and pricing etc. The global automotive manufacturers are expanding their production capacities in India, leading to global competition which can only be countered by enhancing designing capability and maintaining low cost production.

Although rising inflation, interest rates and crude oil prices are concerns of short term, the Company is optimistic about medium and long term and is gearing up for growth. The Company is actively exploring all new business opportunities in terms of product diversification.

The Company is also exposed to financial risk from changes in interest rates, foreign exchange rates and commodity prices. The Company also faces challenges with regard to fast changing technology, sustaining cost efficiencies and planning capacity expansion in the wake of changing demand patterns.

FINANCIAL PERFORMANCE

1. Income

Our total income has been increased from Rs. 219.59 crores in fiscal 2013 to Rs. 255.25 crores in fiscal 2014. The increase in income was on account of increase in sales of product manufactured by the Company.

2. Profit and EBITDA margin

The Company's Profit before Interest, Depreciation and Tax increased from Rs.19.74 crores in fiscal 2013 to Rs. 36.27 crores in Fiscal 2014. The EBITDA margin for the fiscal 2013 and 2014 has been 9.20 % and 14.70% respectively. PAT increased to Rs. 5.45 crores in fiscal 2014 from Rs. 1.54 crores in fiscal 2013.

3. Earning Per Share (EPS)

The Company recorded an EPS of Rs. 3.90 per equity share of Rs.10 each on 14,000,000 Equity Shares.

Internal Control System and their Adequacy

The Company has comprehensive internal control system for all major processes to ensure reliability of reporting. The system also helps management to have timely data / feedback on various operational parameters for effective review. It also ensures proper safeguarding of assets across the Company and its economical use of the same. The internal control system of the Company is commensurate with the size, scale and complexity of its operations. The systems and controls are periodically reviewed and modified based on the requirement. The Company has an internal audit function, which is empowered to examine the adequacy and compliance with policies, plans and statutory requirements. It is also responsible for assessing and improving the effectiveness of risk management, control and governance process. The scope of Internal Audit is well defined and documented and audit committee reviews the observations of the Internal Audit critically.

Human Resources

The Company seeks respect and values the diverse qualities and background that its people bring to it and is committed to utilizing the richness of knowledge, ideas and experience. Acquiring the right talent for the right job, creating a motivating work environment, empowering employees to be pro-active, providing growth opportunities, and developing future leaders, our people management system and processes facilitate us to meet business commitments consistently and build a strong performing culture.

The Company recognizes the fact that leadership is a critical component of its organizational strategy. Hence it is focused on developing leadership across organizational levels and helps leaders to transition seamlessly from one level to another. In FY14, we continued to provide a comprehensive suite of leadership programs to all levels of career transitions. The work environment is stimulating and development of core competencies through formal training, job rotation and hands on training is an ongoing activity.

As on 31st March 2014 your company has 802 employees.

Cautionary Statement

Statements in this Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute 'forward looking statements' within the meaning of applicable laws and regulations and actual results might differ materially from those either expressed or implied.

REPORT ON CORPORATE GOVERNANCE

PPAP Automotive Limited (hereinafter referred to as 'PPAP' or the 'Company') looks upon good Corporate Governance practices as a key driver for sustainable corporate growth and long-term stakeholder value creation. Good Corporate Governance practices enable a Company to attract financial and human capital. In turn, these resources are leveraged to maximize long-term stakeholder value, while preserving the interests of multiple stakeholders, including the society at large. Corporate Governance at PPAP is founded upon 4 pillars of Core Values viz., Transparency, Integrity, Honesty and Accountability.

Your Company has laid a strong foundation for making Corporate Governance a way of life by constituting a Board with balance mix of professionals of eminence and integrity from within and outside the business, forming a core group of top executives, inducting competent professionals across the organization and putting in place systems, processes and technology. Your Company and its employees are guided by the values of collaborative spirit, unrelenting dedication and innovative thinking.

1 Board of Directors

a Composition of Board

As on March 31, 2014, the Company's Board comprised of five Directors. Two Directors, including the Chairman, are Executive Directors, one is Non - Executive Director and two are Non-Executive Independent Directors.

Details regarding the attendance of Directors at the Board Meetings, Annual General Meeting, number of other Directorships and Committee positions held by them in other Companies, as on March 31, 2014, are given below:

Directors	Category of Directorship (Executive/ Non-Executive/ Independent)	Whether last AGM attended	Number of Board Meetings held during the tenure and attended		No. of other Directorships*	Committee positions (other than in the Company)	
			Held	Attended		Member**	Chairman**
Mr. Ajay Kumar Jain	Executive Director	Yes	6	6	Nil	Nil	Nil
Mr. Pravin Kumar Gupta ¹	Non-Executive Independent Director	Yes	5	5	Nil	Nil	Nil
Mr. Bhuwan Kumar Chaturvedi ²	Non-Executive Independent Director	NA [#]	1	1	1	Nil	1
Ms. Vinay Kumari Jain ³	Non-Executive Director	NA [#]	1	1	Nil	Nil	Nil
Mr. Abhishek Jain	Executive Director	Yes	6	6	Nil	Nil	Nil
Mr. Sharat Chand Jain ⁴	Executive Director	No	0	NA [#]	NA [#]	NA [#]	NA [#]
Mr. Rajeev Jain ⁵	Executive Director	No	0	NA [#]	NA [#]	NA [#]	NA [#]
Mr. Anuj Jain ⁶	Non-Executive Director	No	0	NA [#]	NA [#]	NA [#]	NA [#]
Mr. Ashok Kumar Aggarwal ⁷	Non-Executive Independent Director	No	5	0	NA [#]	NA [#]	NA [#]
Mr. Devendra Chandra Jain ⁸	Non-Executive Director	No	5	0	NA [#]	NA [#]	NA [#]
Mr. Manmohan Singh Kapur ⁹	Non-Executive Independent Director	Yes	6	6	NA [#]	NA [#]	NA [#]

* For the purpose of considering the total number of Directorships, all Public Limited Companies, whether listed or not, have been considered. Private limited companies, whether subsidiary of a Public Limited Company or not, Foreign Companies and Companies under Section 25 of The Companies Act, 1956, however, have not been included.

** For the purpose of considering the total number of Memberships / Chairmanships of committee only Audit Committee and Stakeholders Relationship Committees (earlier known as Shareholders' / Investors' Grievance Committee) of all Public Limited Companies have been considered.

** None of the Directors is a Chairman / Member in more than 5 / 10 committees across all Companies in which they are Directors.

NA indicates that the concerned person was not on Board on the relevant date.

¹Appointed w.e.f. May 8, 2013

²Appointed w.e.f. December 26, 2013

³Appointed w.e.f. December 26, 2013

⁴ceased to be a Director w.e.f April 29, 2013

⁵ceased to be a Director w.e.f April 29, 2013

⁶ceased to be a Director w.e.f April 29, 2013

⁷ceased to be a Director w.e.f November 20, 2013

⁸ceased to be a Director w.e.f December 30, 2013

⁹ceased to be a Director w.e.f February 13, 2014

REPORT ON CORPORATE GOVERNANCE

Post March 31, 2014, Mr. Ashok Kumar Jain has been appointed as a Non-Executive Independent Director of the Company w.e.f May 27, 2014.

b Board Meetings and Procedure

The Board meets at regular intervals to discuss and decide on the business policy and strategy of the Company. Dates of Board Meetings are fixed in advance and agenda papers are circulated to the Directors prior to the meeting. All material information is incorporated in the agenda papers and updated at the meeting, for facilitating meaningful and focused discussions. In case of exigencies or urgencies, resolutions are considered by Circulation.

During 2013-14, the Board of Directors met 6 (six) times on May 8, 2013, May 24, 2013, July 6, 2013, August 12, 2013, November 1, 2013 and February 10, 2014.

The period between any two consecutive meetings of the Board of Directors of the Company was not more than 4 (four) months.

Details of Directors' Attendance Record and Directorships / Committee Memberships are given in table at page no.9 of this report.

c Appointment and Re-appointment of Directors

Mr. Bhuwan Kumar Chaturvedi, Ms. Vinay Kumari Jain were appointed as Additional Directors of the Company w.e.f. December 26, 2013 and Mr. Ashok Kumar Jain w.e.f. May 27, 2014 and they hold office up to the date of the forth coming Annual General Meeting. Mr. Bhuwan Kumar Chaturvedi and Mr. Ashok Kumar Jain are proposed to be appointed as Directors not liable to retire by rotation at the forth coming Annual General Meeting. Ms. Vinay Kumari Jain is proposed to be appointed as a Director liable to retire by rotation at the forth coming Annual General Meeting.

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges, appointed Mr. Pravin Kumar Gupta, as Independent Director, liable to retire by rotation in compliance with the requirements of the clause.

Pursuant to the provisions of Section 149 of the Companies Act, 2013, which came in to effect from April 1, 2014, every listed public Company is required to have at least one-third of the total number of Directors as Independent Directors, who shall not be liable to retire by rotation. As per the Listing Agreement entered with the Stock Exchanges, if the Company has an Executive Chairman, at least half of the Board should comprise of Independent Directors.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, and Clause 49 of the Listing Agreement, Mr. Pravin Kumar Gupta, is proposed to be appointed as an Independent Director of the Company at the forth coming Annual General Meeting not liable to retire by rotation for a period up to March 31, 2019.

According to Section 152(6)(a) of the Companies Act, 2013, which came in to effect from April 1, 2014, not less than two-thirds of the total number of Directors shall be Directors liable to retire by rotation and under Section 152(6) 'total number of Directors' for this purpose shall not include 'Independent Directors' as appointed under Section 149 of the Companies Act, 2013.

In view of the above, the Board at its meeting held on August 14, 2014 resolved to change the status of Mr. Ajay Kumar Jain and Mr. Abhishek Jain, the current non - retiring Directors as Directors liable to retire by rotation. Thus, Mr. Ajay Kumar Jain retires from the Board by rotation this year and being eligible, offers himself for re-appointment.

The brief profile of the above named Directors seeking appointment / re-appointment is given below:

Mr. Ajay Kumar Jain (DIN - 00148839)

Mr. Ajay Kumar Jain is a Commerce Graduate from Delhi University and has more than four decades experience in the automotive industry.

He was the Vice President of Honda Cars India Suppliers Club ("HCI Suppliers Club ") in the year 2010-11 and further he became the President of the HCI Suppliers Club in the year 2011-12. Currently, he is a member of Advisory Committee of HCI Suppliers Club.

He is also the Vice President of Toyota Kirloskar Supplier Association since 2006.

Directorship in other companies:

- Kalindi Farms Private Limited
- PPAP Tokai India Rubber Private Limited
- Ajay Kumar Jain Holdings Private Limited
- Arhaan Holdings Private Limited

#Committee Positions:

- PPAP Automotive Limited – Member of Audit Committee

Mr. Pravin Kumar Gupta (DIN - 06491563)

Mr. Pravin Kumar Gupta is a Fellow Member of the Institute of Chartered Accountants of India. He is the Managing Partner of K.S. Gupta & Co., Chartered Accountants. Mr. Gupta has more than 25 years of experience in both large and SME segments in manufacturing and Service Industries.

Directorship in other companies – Nil

#Committee Positions:

PPAP Automotive Limited-Chairman of Stakeholders Relationship Committee & Member of Audit Committee.

REPORT ON CORPORATE GOVERNANCE

Mr. Bhuwan Kumar Chaturvedi (DIN - 00144487)

Mr. Bhuwan Kumar Chaturvedi is B.E. (Mech.) from I.I.T. Roorkee (1969) and is M.B.A. from IIM, Ahmedabad (1971). He began his career with Tata Motors (1971-78) and went on to hold apex level positions such as Managing Director of Eicher Ltd., President & Executive Director of Hindustan Motors Ltd., CEO of Central Park, a well known Real Estate development firm, and CEO of Indian operations of Renior Consulting, a global consulting firm.

He has attended the Harvard Business School, Executive Development Programme. He has also attended TQM programme conducted by Dr. Deming followed by TQM programmes on performance improvement in Japan.

Directorship in other companies:

- Ring Plus Acqua Limited
- Sphaera Pharma Private Limited
- PIC Consulting

#Committee Positions:

- PPAP Automotive Limited- Chairman of Audit Committee
- Ring Plus Aqua Limited – Chairman of Audit Committee

Ms. Vinay Kumari Jain (DIN - 00228718)

Ms. Vinay Kumari Jain is B.Sc. 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 the 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

Mr. Ashok Kumar Jain (DIN - 06881412)

Mr. Ashok Kumar Jain is a Fellow Member of the Institute of Chartered Accountants of India. Mr. Jain has over 33 years experience in Petroleum, Oil Company and Automobile Sectors. He has been on the Board of Sona Koyo Steering Systems Limited from 2001 to 2003 as a Non - Executive Nominee Director. He has been the Chairman of Maruti Employees Provident Fund Trust from 2001 to 2006. He has been associated with Social Welfare activities such as development of Children Park at India Gate. Currently, he is a proprietor of Ashok Kumar Jain & Associates, Chartered Accountants.

Mr. Ashok Kumar Jain does not hold any shares in the Company as on date.

Directorship in other companies – Nil

#Committee position includes only Audit and Stakeholders Relationship Committee.

2 COMMITTEES OF THE BOARD

A. AUDIT COMMITTEE

The Audit Committee's composition and terms of reference are in compliance with the provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Board of Directors, at its meeting held on 27 May 2014 extended the terms of reference of Audit Committee to be consistent with the requirements of Section 178 of the Companies Act, 2013 and amended Clause 49 (applicable w.e.f. 01.10.2014) of the Listing Agreement.

The charter of role and responsibilities of the Audit Committee includes the following major areas:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.

REPORT ON CORPORATE GOVERNANCE

g. Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
10. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

b. Composition

The Audit Committee as on March 31, 2014 comprised of three Directors, two being Non-Executive Independent Directors viz. Mr. Bhuwan Kumar Chaturvedi and Mr. Pravin Kumar Gupta and one is Executive Director viz. Mr. Ajay Kumar Jain.

All the members of the Audit Committee are financially literate and Chairman of the Audit Committee is a financial expert. The Company Secretary acts as Secretary of the Committee.

c. Number of Committee meetings and attendance

During the year, 4 (four) meetings of the Audit Committee were held on May 24, 2013, August 12, 2013, November 1, 2013 and February 10, 2014. The attendance record of members of the Audit Committee is given below:

Name of Committee Member	Position held	Number of meetings held during the tenure	Number of meetings attended
Mr. Ashok Kumar Aggarwal ¹⁰	Chairman	3	0
Mr. Manmohan Singh Kapur ¹¹	Member	4	4
Mr. Bhuwan Kumar Chaturvedi ¹²	Chairman	0	NA
Mr. Pravin Kumar Gupta ¹³	Member	4	4
Mr. Ajay Kumar Jain	Member	4	4

¹⁰Mr. Ashok Kumar Aggarwal has resigned w.e.f. November 20, 2013.

¹¹Mr. Manmohan Singh Kapur has resigned w.e.f. February 13, 2014.

¹²Mr. Bhuwan Kumar Chaturvedi has been appointed as a Chairman of the Committee w.e.f. February 10, 2014.

¹³Mr. Pravin Kumar Gupta has been appointed as a Member of the Committee w.e.f. May 8, 2013.

B NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors, at its meeting held on 27 May 2014, re-designated the 'Remuneration Committee' as the 'Nomination and Remuneration Committee' and extended its terms of reference to be consistent with the requirements of Section 178 of the Companies Act, 2013 and amended Clause 49 (applicable w.e.f. 01.10.2014) of the Listing Agreement.

Terms of reference of the Committee, inter alia, includes the following:

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 recommend / review remuneration of Managing Director(s)/ Whole time Director.

a Composition

The Nomination & Remuneration Committee as on March 31, 2014 comprised of three Directors, two being Non-Executive Independent Directors viz. Mr. Pravin Kumar Gupta, Mr. Bhuwan Kumar Chaturvedi and one is Non-executive Director viz. Ms. Vinay Kumari Jain.

b Number of Committee meetings and attendance

During the year, 2 (two) meetings of the Nomination & Remuneration Committee were held on July 6, 2013 and November 1, 2013. The attendance record of members of the Nomination & Remuneration Committee is given

REPORT ON CORPORATE GOVERNANCE

below:

Name of Committee Member	Position held	Number of meetings held during the tenure	Number of meetings attended
Mr. Manmohan Singh Kapur ¹⁴	Chairman	2	2
Mr. Ashok Kumar Aggarwal ¹⁵	Member	2	0
Mr. Anuj Jain ¹⁶	Member	0	NA
Mr. Abhishek Jain ¹⁷	Member	2	2
Mr. Pravin Kumar Gupta ¹⁸	Chairman	2	2
Mr. Bhuwan Kumar Chaturvedi ¹⁹	Member	0	NA
Ms. Vinay Kumari Jain ²⁰	Member	0	NA

¹⁴Mr. Manmohan Singh Kapur has resigned w.e.f. February 13, 2014.

¹⁵Mr. Ashok Kumar Aggarwal has resigned w.e.f. November 20, 2013.

¹⁶Mr. Anuj Jain has resigned w.e.f. April 29, 2013.

¹⁷Mr. Abhishek Jain has been appointed as a Member of the Committee w.e.f. May 8, 2013 and ceased to be a member of the Committee w.e.f. February 10, 2014.

¹⁸Mr. Pravin Kumar Gupta has been appointed as a Member of the Committee w.e.f. May 8, 2013 and appointed as a Chairman of the Committee w.e.f. February 10, 2014.

¹⁹Mr. Bhuwan Kumar Chaturvedi has been appointed as a Member of the Committee w.e.f. February 10, 2014.

²⁰Ms. Vinay Kumari Jain has been appointed as a Member of the Committee w.e.f. February 10, 2014.

c Remuneration to the Directors

Remuneration of Executive Directors is decided by the Board of Directors, subject to the approval of shareholders, based on recommendation of Nomination and Remuneration Committee.

Details of Remuneration of the Executive Directors paid during FY 2013-14.

Name	Salary and Perquisite (in Rs.)	Bonus	Total (in Rs.)	No. of Equity shares held	Relationship with other Directors
Mr. Ajay Kumar Jain	47,91,600	8,400	48,00,000	4,007,680 90,123 ²¹	Husband of Ms. Vinay Kumari Jain and Father of Mr. Abhishek Jain
Mr. Abhishek Jain	47,91,600	8,400	48,00,000	1,002,404	Son of Mr. Ajay Kumar Jain and Ms. Vinay Kumari Jain

²¹holding in the name of M/s Ajay Kumar Jain HUF as Karta

Details of sitting fee paid to the Non Executive / Non-Executive Independent Directors during FY 2013-14.

Name	Sitting Fee (in Rs.)	Relationship with other Directors
Mr. Devendra Chandra Jain	-	Brother of Mr. Ajay Kumar Jain
Mr. Ashok Kumar Aggarwal	-	-
Mr. Manmohan Singh Kapur	3,20,000	-
Mr. Pravin Kumar Gupta	2,20,000	-
Mr. Bhuwan Kumar Chaturvedi	20,000	-
Ms. Vinay Kumari Jain	20,000	Wife of Mr. Ajay Kumar Jain and mother of Mr. Abhishek Jain

Ms. Vinay Kumari Jain holds 19,36,890 Equity Shares in the Company as on date. None of the other Non-Executive Directors holds any shares in the Company.

C STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board of Directors, at its meeting held on 27 May 2014, re-designated the 'Investor's Grievance Committee' as the 'Stakeholders Relationship Committee' in order to align with the requirements of Section 178 of the Companies Act, 2013 and amended Clause 49 (applicable w.e.f. 01.10.2014) of the Listing Agreement.

The Stakeholders Relationship Committee is primarily responsible for looking into the redressal of grievances of Shareholders. The committee specifically looks into redressing 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.

a Composition

The 'Stakeholders Relationship Committee' as on March 31, 2014 comprised of three Directors, one being Non-Executive Independent Director viz. Mr. Pravin Kumar Gupta, one Non-Executive Director viz. Ms. Vinay Kumari Jain

REPORT ON CORPORATE GOVERNANCE

and one Executive Director viz. Mr. Abhishek Jain.

During the year, 4 (four) meetings of the Stakeholders Relationship Committee were held on May 24, 2013, August 12, 2013, November 1, 2013 and February 10, 2014. The attendance record of members of the Stakeholders Relationship Committee is given below:

b Number of Committee meetings and attendance

Name of the Director	Position held	Number of meetings held during the tenure	No. of meetings attended
Mr. Manmohan Singh Kapur ²¹	Chairman	4	4
Mr. Sharat Chand Jain ²²	Member	0	NA
Mr. Ashok Kumar Aggarwal ²³	Member	0	NA
Mr. Ajay Kumar Jain ²⁴	Member	4	4
Mr. Abhishek Jain ²⁵	Member	4	4
Mr. Pravin Kumar Gupta ²⁶	Chairman	0	NA
Ms. Vinay Kumari Jain ²⁷	Member	0	NA

²¹ Mr. Manmohan Singh Kapur ceased to be the Chairman of the Committee w.e.f. February 10, 2014

²² Mr. Sharat Chand Jain has resigned w.e.f. April 29, 2013.

²³ Mr. Ashok Kumar Aggarwal ceased to be a Member of the Committee w.e.f. May 8, 2013.

²⁴ Mr. Ajay Kumar Jain has been appointed as a Member of the Committee w.e.f. May 8, 2013 and ceased to be a member of the Committee w.e.f. February 10, 2014.

²⁵ Mr. Abhishek Jain has been appointed as a Member of the Committee w.e.f. May 8, 2013.

²⁶ Mr. Pravin Kumar Gupta has been appointed as a Chairman of the Committee w.e.f. February 10, 2014.

²⁷ Ms. Vinay Kumari Jain has been appointed as a Member of the Committee w.e.f. February 10, 2014

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board of Directors at their meeting held on May 27, 2014, constituted the Corporate Social Responsibility Committee in order to be in compliance with the requirements of Section 135 of the Companies Act, 2013 and Rules framed thereunder. The Committee comprises of three Directors, one being Non-Executive Independent Director viz. Mr. Ashok Kumar Jain as the Chairman, one Non-Executive Director viz. Ms. Vinay Kumari Jain and one Executive Director viz. Mr. Abhishek Jain as the Members. The Company Secretary acts as the convenor of the Committee.

3 General Body Meetings

a Annual General Meetings:

Details of Last three years Annual General Meetings are as under:

For the Year	Venue	Day, Date & Time	Number of Special Resolutions
2010-11	The Executive Club, Dolly Farms & Resorts Pvt. Ltd 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi - 110074	Wednesday, September 28, 2011 at 1:00 P.M.	-
2011-12	The Executive Club, Dolly Farms & Resorts Pvt. Ltd 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi - 110074	Saturday, September 29, 2012 at 5:00 P.M.	-
2012-13	The Executive Club, Dolly Farms & Resorts Pvt. Ltd 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi - 110074	Friday, August 9, 2013 at 11:00 A.M.	2

All the Resolutions set out in the respective notices were passed by show of hands at the above mentioned General Meetings.

b Postal Ballot

The Company has conducted the Postal Ballot dated February 14, 2013 for seeking the approval of members in accordance with the provisions of section 192A of the Companies Act, 1956, read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011 for transfer of the Company's White Goods Business Division and Mainline Power Distribution System Business Division. The Postal Ballot result was announced on April 8, 2013. The details of the said Postal Ballot has already been provided in the Annual Report for the Financial Year 2012 - 13 of the Company.

The Company has conducted one Postal Ballot for seeking the approval of members in accordance with the provisions of section 192A of the Companies Act, 1956, read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011. Postal Ballot Notices containing proposed resolutions and explanatory statements thereto were sent to the registered addresses of the shareholders along with the Postal Ballot form and Business Reply Inland containing the address of the Scrutinizer appointed by the Board. The Postal Ballot Forms received within 30 days of dispatch were considered by the Scrutinizer and there after Scrutinizer submitted his report to the Company for declarations of results. The details of the same are as under:

REPORT ON CORPORATE GOVERNANCE

Date of Completion of Postal Ballot	Name of the Scrutinizer	Brief of Resolution	Percentage of votes cast in favour of resolution
March 31, 2014 (results declared April 3, 2014)	Mr. Chetan Gupta, Practicing Company Secretary	Change of name of the Company from 'Precision Pipes and Profiles Company Limited' to 'PPAP Automotive Limited'	99.91%

4 DISCLOSURES

- There was no materially significant Related Party Transaction 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 Note No. 29B to the Notes to Accounts in the Annual Accounts of the Company.
- The Company has complied with the requirements of the Listing Agreement. 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 Annual Report.
- Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates on half-yearly basis, have been issued by a Company Secretary-in-Practice 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 reconciling the total shares held in both the depositories, viz. NSDL and 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 of 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/ Half-Yearly financial results on its website www.ppapco.in. The results are also reported to the Stock Exchanges and are published in the newspapers as mentioned under the heading "Means of Communication" in this report.
- As regards training of Board Members, the Directors on Board are seasoned professionals having wide range of expertise in diverse field. They keep themselves abreast with latest developments in the field of Management, Technology and Business Environment through various symposiums, seminars etc.

5 CEO/CFO Certification

In terms of by Clause 49(V) of the Listing Agreement, Mr. Ajay Kumar Jain, Chairman & Managing Director and Mr. Manish Dhariwal, Chief Financial Officer of the Company have submitted the necessary certificate to the Board for the year under review. A copy of the certificate on the financial statements for the Financial Year ended March 31, 2014 is annexed with this Annual Report.

6 Code of Conduct

The Company has laid down a Code of Conduct for all Board members and senior management of the Company. The Board of Directors and Senior Managers have affirmed with the code on an annual basis as at the end of each financial year.

7 Subsidiary Company

The Company has no subsidiary Company.

8 Means of communication

Financial results at the end of every quarter and audited annual financial results are published regularly within the prescribed time limit in 'Business Standard' (English Newspaper) and 'Business Standard' (Hindi Newspaper).

In compliance with the listing Agreement, the Company promptly submits the financial results to the Stock Exchange (s) to enable them to display on their websites.

The Financial result and other shareholder information(s) of the Company are also displayed on the website of the Company www.ppapco.in

9. Shareholders' Information

a Annual General Meeting

Day : Saturday
Date : September 27, 2014
Time : 10.30 A.M.
Venue : The Executive Club, Dolly Farms & Resorts Pvt. Ltd., 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi -110074

PPAP AUTOMOTIVE LIMITED

(FORMERLY PRECISION PIPES AND PROFILES COMPANY LIMITED)

REPORT ON CORPORATE GOVERNANCE

b Financial year

The Company follows 1st April to 31st March as its Financial Year.

c Financial Calendar 2014-2015

Particulars	Tentative Schedule
Quarterly Unaudited Results	
Quarter ending 30 th June, 2014	On or before 14 th August, 2014
Quarter ending 30 th September, 2014	On or before 14 th November, 2014
Quarter ending 31 st December, 2014	On or before 14 th February, 2015
Annual Audited Results	
Year ending 31 st March, 2015	On or before 30 th May, 2015

d Book Closure Date:

The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, September 23, 2014 to Friday, September 26, 2014 (both days inclusive).

e Dividend

For the Financial Year 2013-14, the Board has not recommended any Dividend.

f Listing at Stock Exchanges:-

The Equity Shares of the Company are listed on the following Stock Exchanges with the given scrip code:-

Stock Exchange	Scrip Code
Bombay Stock Exchange Limited (BSE)	532934
National Stock Exchange of India Limited (NSE)	PPAP
ISIN No.	INE095I01015

The Annual Listing Fee for 2014-15 has been paid to the Stock Exchange(s) within the stipulated time period.

g Market Price Data:

Market Price of shares during the last Financial Year 2013-14 is given as follows:-

Month	NSE (In Rs. Per share)		BSE (In Rs. Per share)	
	High	Low	High	Low
April 2013	38.75	31.55	39.00	31.90
May 2013	51.30	33.45	56.10	34.00
June 2013	49.20	38.10	49.40	39.50
July 2013	40.35	33.00	42.95	33.40
Aug 2013	31.50	24.70	39.75	25.00
Sep 2013	36.80	24.85	37.00	23.05
Oct 2013	40.20	31.35	39.75	30.55
Nov 2013	36.45	28.40	36.40	28.35
Dec 2013	34.10	27.60	34.65	28.00
Jan 2014	41.90	33.20	42.00	33.55
Feb 2014	52.80	40.00	52.95	39.00
March 2014	63.40	42.20	63.40	42.35

Source www.nseindia.com

Source: www.bseindia.com

h Share Price Performance in comparison to broad based indices – BSE Sensex and NSE Nifty as on March 31, 2014

Year	BSE (% Change)		NSE (% Change)	
	PPAP	Sensex	PPAP	Nifty
FY 2013-14	28.29%	18.85%	31.09%	17.98%
3 Years	-51.88%	15.13%	-51.43%	14.92%
5 Years	53.50%	130.58%	48.43%	121.92%

i Compliance Officer

Name : Ms. Sonia Bhandari
 Designation : Company Secretary
 Phone No : 0120-2462552/53
 Fax No. : 0120-2461371
 Email Address : sonia@ppapco.com
 investorservice@ppapco.com

REPORT ON CORPORATE GOVERNANCE

j 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. 011-41410592/93/94

k 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.

l Distribution of Shareholding

Details of category wise shareholding as on March 31, 2014:

Categories	No. of shareholders	Percentage	No. of Shares held	Percentage (%)
1-500	19817	97.20	1271231	9.08
501-1000	259	1.27	198461	1.42
1001-2000	137	0.67	201070	1.44
2001-3000	53	0.26	137366	0.98
3001-4000	26	0.13	91256	0.65
4001-5000	18	0.09	82044	0.59
5001-10000	30	0.15	220102	1.57
10001-above	47	0.23	11798470	84.27
TOTAL	20387	100	14000000	100

m Details of Shareholding Pattern as on 31st March 2014:

Statement Showing Shareholding Pattern								
Cat- egory code	Category of Shareholder	Number of Share- holders	Total number of shares	Number of shares held in demateri- alized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of(A+B)	As a per- centage of (A+B+C)	Num- ber of shares	As a percent- age
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)= (VIII)/ (IV) 100
(A)	Shareholding of Promoter and Promoter Group							
1	Indian							
(a)	Individuals/ Hindu Undivided Family	5	7,039,268	7,039,268	50.28	50.28	0	0
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0
(c)	Bodies Corporate	1	1,793,093	1,793,093	12.81	12.81	0	0
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0
(e)	Any Others (Specify)		0	0	0.00	0.00	0	0
	Sub Total(A)(1)	6	8,832,361	8,832,361	63.09	63.09	0	0
2	Foreign							
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0.00	0	0
b	Bodies Corporate	0	0	0	0.00	0.00	0	0

PPAP AUTOMOTIVE LIMITED

(FORMERLY PRECISION PIPES AND PROFILES COMPANY LIMITED)

REPORT ON CORPORATE GOVERNANCE

Statement Showing Shareholding Pattern								
Cat-egory code	Category of Shareholder	Number of Share-holders	Total number of shares	Number of shares held in demateri-alized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of(A+B)	As a per-centage of (A+B+C)	Num-ber of shares	As a percent-age
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)= (VIII)/ (IV) 100
c	Institutions	0	0	0	0.00	0.00	0	0
d	Any Others(Specify)	0	0	0	0.00	0.00	0	0
	Sub Total(A)(2)	0	0	0	0.00	0.00	0	0
	Total Shareholding of Promoter and Pro-moter Group (A)= (A) (1)+(A)(2)	6	8,832,361	8,832,361	63.09	63.09	0	0
(B)	Public shareholding							
1	Institutions							
(a)	Mutual Funds/ UTI	0	0	0	0.00	0.00	0	0
(b)	Financial Institutions / Banks	1	150,462	150,462	1.07	1.07	0	0
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0
(d)	Venture Capital Funds	0	0	0	0.00	0.00	0	0
(e)	Insurance Companies	0	0	0	0.00	0.00	0	0
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00	0	0
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0
(i)	Any Other (specify)	0	0	0	0.00	0.00	0	0
	Sub-Total (B)(1)	1	150,462	150,462	1.07	1.07	0	0
B 2	Non-institutions							
(a)	Bodies Corporate	165	1,220,371	1,220,371	8.72	8.72	0	0
(b)	Individuals							
I	Individuals i. Individual shareholders holding nominal share capital up to Rs 1 lakh	19992	2,015,438	2,015,281	14.40	14.40	0	0
II	ii. Individual sharehold-ers holding nominal share capital in excess of Rs. 1 lakh.	30	1,410,384	1,410,384	10.07	10.07	0	0
(c)	Qualified Foreign Investor	0	0	0	0.00	0.00	0	0
(d)	Any Other (specify)					0.00	0	0
(d-i)	Trusts	1	44	44	0.00	0.00	0	0
(d-ii)	Non Resident Indians (REPAT)	93	50,550	50,550	0.36	0.36	0	0
(d-iii)	Non Resident Indians (NON REPAT)	28	5,417	5,417	0.04	0.04	0	0

REPORT ON CORPORATE GOVERNANCE

Statement Showing Shareholding Pattern								
Cat-egory code	Category of Shareholder	Number of Share-holders	Total number of shares	Number of shares held in demateri-alized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of(A+B)	As a per-centage of (A+B+C)	Num-ber of shares	As a percent-age
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)= (VIII)/ (IV) 100
(d-iv)	Foreign Companies	1	225,000	0	1.61	1.61	0	0
(d-v)	Clearing Members	70	89,973	89,973	0.64	0.64	0	0
	Sub-Total (B)(2)	20380	5,017,177	4,792,020	35.84	35.84	0	0
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	20381	5,167,639	4,942,482	36.91	36.91	0	0
	TOTAL (A)+(B)	20387	14,000,000	13,774,843	100.00	100.00	0	0
(C)	Shares held by Cus-todians and against which Depository Re-ceipts have been issued	0	0	0	0.00	0.00	0	0
	GRAND TOTAL (A)+(B)+(C)	20387	14000000	13774843	100.00	100.00	0	0

n Dematerialization of Shares

The equity shares of the Company are in compulsorily dematerialized segment and are available in the Depository system of both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Number of shares held in dematerialized and physical mode as on March 31, 2014:

S. No.	Mode of Holding	No. of shares	% of total share capital
1.	Physical	225157	1.61
2.	CDSL	3564013	25.46
3.	NSDL	10210830	72.93
Total		14000000	100.00

o Voting through electronic means

Pursuant to Section 108 of the Companies Act, 2013 and the rules made thereunder, every listed Company is required to provide its members facility to exercise their right to vote at general meetings by electronic means.

The Company has entered into an arrangement with CDSL, the authorized agency for this purpose, to facilitate such e-voting for its members.

The shareholders would therefore be able to exercise their voting rights on the items put up in the Notice of Annual General Meeting, through such e-voting method.

e-Voting shall be open for a period of three days, i.e. from September 21, 2014 to September 23, 2014 (both days inclusive) and Mr. Chetan Gupta, Practising Company Secretary, shall act as the scrutinizer for the e-voting process.

Detailed procedure is given in the Notice of the Annual General Meeting and also placed on the website of the Company.

Shareholders may get in touch with the Company Secretary for further assistance.

p Outstanding GDR / ADR / Warrants or any convertible instrument

No outstanding GDR / ADR / Warrants or any convertible instrument as on 31.03.2014

PPAP AUTOMOTIVE LIMITED

(FORMERLY PRECISION PIPES AND PROFILES COMPANY LIMITED)

REPORT ON CORPORATE GOVERNANCE

9 Registered Office

PPAP Automotive Limited
54, Okhla Industrial Estate
Phase III, New Delhi - 110020
Tel No.: 011- 26310771

Address for Correspondence / Corporate Office

PPAP Automotive Limited
B- 206A, Sector – 81
Phase – II, Noida – 201305
Tel No.:0120-2462552/53
Fax No.: 0120-2461371
E-mail : sonia@ppapco.com

10 Plant Locations:

1. 54-56, Okhla Industrial Estate, Phase - III, New Delhi - 110020.
2. B-45, Phase –II, Noida, Uttar Pradesh – 201305.
3. B -206 A, Sector- 81, Phase –II, Noida, Uttar Pradesh - 201305.
4. B-4, Site V, UPSIDC, Kasna, Greater Noida – 201306.
5. SP-3/802,R.I.A, Pathredi, Bhiwadi, Rajasthan - 301307
6. Plot No. 104, Survey No. 705/2, Polivakkam, Sriperumbudur-Thiruvallur High Road, Thiruvallur Taluk & District - 602202

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 31 March 2014 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 transaction 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: 14.08.2014

Ajay Kumar Jain
Chairman & Managing Director

Manish Dhariwal
Chief Financial Officer



REPORT ON CORPORATE GOVERNANCE

DECLARATION UNDER CLAUSE 49(1D) OF THE LISTING AGREEMENT

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.

Ajay Kumar Jain
Chairman & Managing Director

Date: 14.08.2014

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of

PPAP AUTOMOTIVE LIMITED

We have examined the compliance of conditions of Corporate Governance by **PPAP AUTOMOTIVE LIMITED** earlier known as **Precision Pipes And Profiles Company Limited** (the “**Company**”) for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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 conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended March 31, 2014, 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 L AGGARWAL
(Prop.)
C.P. No. 7622

Place : New Delhi
Date : 14.08.2014

PPAP AUTOMOTIVE LIMITED

(FORMERLY PRECISION PIPES AND PROFILES COMPANY LIMITED)

INDEPENDENT AUDITORS' REPORT

To The Members of
PPAP AUTOMOTIVE LIMITED, NEW DELHI

Report on the Financial Statements

1. We have audited the accompanying financial statements of **PPAP AUTOMOTIVE LIMITED** (the "Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these 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 Standards notified under the Companies Act, 1956 of India (the "Act"), read with the General Circular 15/ 2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. 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.

4. An audit involves performing procedures to obtain audit evidence, about the amounts and 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 auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the **PROFIT** for the year ended on that date and;
- (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

8. As required by section 227(3) of the Act, we report that:

- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards notified under the Act read with the General Circular 15/ 2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
- (e) On the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For O. P. BAGLA & CO.
CHARTERED ACCOUNTANTS
Firm Regn. No. 000018N

(ATUL BAGLA)
PARTNER
M No. 91885

Place : Noida
Dated : 27.05.2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of **PPAP AUTOMOTIVE LIMITED** on the financial statements as of and for the year ended March 31, 2014.

1. a) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.
b) As explained to us, major fixed assets have been physically verified by the management during the year. We have been informed that the discrepancies noticed on such verification as compared to book record were not material and have been properly dealt with in the books of account. In our opinion the frequency of verification is reasonable.
c) The Company has disposed off some of its fixed assets during the year. However in our opinion the same does not affected the going concern status of the company.
2. a) Physical verification has been conducted by the management at reasonable intervals in respect of finished goods, stores, spare parts and raw materials.
b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of these stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
c) In our opinion the Company is maintaining proper records of inventories. The discrepancies noticed on such verification between the physical stocks and book records were not significant and the same have been properly dealt with in the books of account.
3. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories, fixed assets and with regard to the sale of goods. During the course of audit, no major weakness has been noticed in the underlying internal control system.
4. a) In our opinion and according to information and explanations given to us, the transactions that needed to be entered in the register maintained under section 301 of the Companies Act, 1956 have been entered in the register.
b) In our opinion, the transactions made in pursuance of contracts/ arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs.500,000 in respect of each party during the year have been made at prices which appear reasonable as per information available with the Company.
5. In our opinion and according to the information and explanations given to us, the Company has an adequate internal audit system commensurate with its size and nature of its business.
6. The Central Government has prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 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 made and maintained.
7. a) As per information and explanations given to us, the Company has been regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess, Octroi, Entry Tax and other statutory dues with the appropriate authorities. There are no undisputed statutory dues at the year end outstanding for a period of more than six months from the date they become payable.
b) We have been informed that following disputed demands in respect of Income Tax, Excise Duty, Sales Tax and Entry Tax have not been deposited on account of pending appeals.

Particulars	Financial years of which the matters pertains	Forum where dispute is pending	Amount (Rs.)
Service Tax	17.08.2002 to 31.03.2004	Deputy Commissioner	63,630
Sales Tax	2004-2005	Joint Commissioner of Sales Tax (Appeals)	3,51,890
Excise Duty	August 2003 to 2004	Appellate Tribunal (CESTAT), Delhi	70,72,066
Excise Duty	May 2004 to July 2004	Appellate Tribunal (CESTAT), Delhi	2,11,672
Income Tax	A.Y. 2003-2004	Commissioner of Income Tax Appeal (Delhi)	55,655
Income Tax	A.Y. 2007-2008	Commissioner of Income Tax Appeal (Delhi)	9,27,572
Income Tax	A.Y. 2009-2010	Commissioner of Income Tax Appeal (Delhi)	19,75,945
Income Tax	A.Y. 2010-2011	Commissioner of Income Tax Appeal (Delhi)	26,80,825
Income Tax	A.Y. 2011-2012	Commissioner of Income Tax Appeal (Delhi)	34,63,470

8. The Company does not have any accumulated losses at the end of the financial year. Further, there are no cash losses during the financial year under audit and in the immediately preceding financial year.
9. 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 dues to the Financial Institution, Banks or Debenture holders as at the year end.
10. According to the information and explanations given to us, the term loans taken by the Company have been applied for the purposes for which the loans were obtained.
11. According to the information and explanations given to us, the funds raised on short term basis have not been utilized for long term investments.
12. Based upon the audit procedures performed and information and explanations given by the management, we report that, no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended 31st March, 2014.
13. Matters specified in clauses (iii), (vi), (xii) to (xv), (xviii) to (xx) of paragraph 4 of the CARO, 2003 do not apply to the Company.

For O. P. BAGLA & CO.
CHARTERED ACCOUNTANTS
 Firm Regn. No. 000018N
(ATUL BAGLA)
PARTNER
M No. 91885

Place : Noida
 Dated : 27.05.2014

PPAP AUTOMOTIVE LIMITED

(FORMERLY PRECISION PIPES AND PROFILES COMPANY LIMITED)

BALANCE SHEET AS AT 31ST MARCH, 2014

Amount in Rs.

Particulars	Note No.	As At 31.03.2014	As At 31.03.2013
I. Equity and Liabilities			
1. Shareholder's Funds			
A) Share Capital	1	140,000,000	140,000,000
B) Reserve and Surplus	2	1,749,019,447	1,694,432,486
Total		1,889,019,447	1,834,432,486
2. Non - Current Liabilities			
A) Long-Term Borrowings	3	151,260,535	560,575
B) Deferred Tax Liabilities (Net)	4	27,686,301	35,197,101
C) Other Long Term Liabilities	5	50,400	498,600
D) Long- Term Provisions	6	34,221,101	40,648,558
Total		213,218,337	76,904,834
3. Current Liabilities			
A) Short-Term Borrowings	7	229,710,357	141,982,194
B) Trade Payables	8	183,121,260	150,007,063
C) Other Current Liabilities	9	329,300,613	90,427,655
D) Short- Term Provisions	10	9,003,071	10,715,889
Total		751,135,302	393,132,800
Grand Total		2,853,373,086	2,304,470,120
II Assets			
1. Non-Current Assets			
A) Fixed Assets	11		
i) Tangible Assets		1,327,856,579	1,162,364,383
ii) Intangible Assets		80,100,282	81,106,596
iii) Capital Work-in-Progress		257,895,090	165,854,551
B) Non-Current Investments	12	245,300,000	7,200,000
C) Long-Term Loans and Advances	13	64,403,310	82,848,421
Total		1,975,555,262	1,499,373,951
2. Current Assets			
A) Inventories	14	301,911,368	328,441,757
B) Trade Receivables	15	326,132,042	265,567,756
C) Cash and Bank Balances	16	19,128,254	59,092,001
D) Short-Term Loans and Advances	17	230,646,161	151,994,655
Total		877,817,825	805,096,169
Grand Total		2,853,373,086	2,304,470,120

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 : 27.05.2014

For and on behalf of the Board of Directors
for **PPAP AUTOMOTIVE LIMITED**

Ajay Kumar Jain
Chairman & Managing Director
DIN 00148839
Manish Dhariwal
CFO

Abhishek Jain
Whole Time Director
DIN 00137651
Sonia Bhandari
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

Amount in Rs.

Particulars	Note No.	Year Ended 31.03.2014	Year Ended 31.03.2013
Income:			
Revenue From Operations	18	2,811,497,048	2,482,461,988
Less: Excise Duty/Service Tax		343,928,365	328,178,406
		2,467,568,683	2,154,283,582
Other Income	19	84,933,558	41,628,896
Total Revenue (I)		2,552,502,241	2,195,912,479
Expenses :			
Cost of Materials Consumed	20	1,432,813,032	1,287,284,764
Changes In Inventories of Finished Goods and Work in Process	21	1,034,305	4,703,568
Employee benefits Expense	22	354,367,545	349,668,166
Other Expenses	23	401,586,324	356,794,922
Total (II)		2,189,801,206	1,998,451,420
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)		362,701,035	197,461,058
Finance Costs	24	30,403,709	11,418,179
Depreciation and Amortization Expense	11	197,476,159	181,112,982
Profit / (Loss) before Exceptional and Extraordinary Items and Tax		134,821,166	4,929,897
Exceptional Items		-	866,440
Profit / (Loss) before Extraordinary Items and Tax		134,821,166	5,796,337
Extraordinary Items (Refer Note 32)		(54,606,112)	-
Profit Before Tax		80,215,054	5,796,337
Tax Expense :			
(1) Current Tax	25	33,138,893	(727,610)
(2) Deferred Tax		(7,510,800)	(8,874,577)
Profit / (Loss) for the Period		54,586,961	15,398,524
Earnings Per Equity Share (Basic and Diluted)	26	3.90	1.10
(Face Value of Shares Rs. 10 (Previous Year Rs. 10))			
As per our Report of even date attached For O.P. BAGLA & CO. Chartered Accountants Firm Registration No. 000018N		For and on behalf of the Board of Directors for PPAP AUTOMOTIVE LIMITED	
Atul Bagla Partner (Membership No. 091885) Place : Noida Date : 27.05.2014		Ajay Kumar Jain Chairman & Managing Director DIN 00148839 Manish Dhariwal CFO	Abhishek Jain Whole Time Director DIN 00137651 Sonia Bhandari Company Secretary

PPAP AUTOMOTIVE LIMITED

(FORMERLY PRECISION PIPES AND PROFILES COMPANY LIMITED)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Amount in Rs.

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extra ordinary items	134,821,166	5,796,337
Adjusted for :		
Depreciation	197,476,159	181,112,982
(Profit)/Loss on Sale of Fixed Assets	(76,201,027)	(40,076,299)
Unrealised Foreign Exchange (Gain)/Loss	12,201	2,709,418
Interest Received	(1,194,621)	(1,112,578)
Dividend Received	(333,027)	0
Loss on Sale of Investment	480,000	0
Interest paid	30,403,709	11,418,179
Operating Profit before Working Capital Changes	285,464,560	159,848,039
Adjusted for :		
(Increase)/Decrease in Trade & Other Receivables	(139,215,791)	37,312,481
(Increase)/Decrease Changes in Inventories	26,530,389	(39,385,649)
Increase/(Decrease) Changes in Trade & Other Payables	263,386,480	39,227,061
Changes in Loans & Advances	20,791,151	(31,027,903)
Cash Generated from Operations	456,956,790	165,974,029
Income Tax Paid	(35,484,933)	(18,574,997)
Cash Flow Before Extraordinary Items	421,471,857	147,399,032
Extraordinary Items	(54,606,112)	0
Net Cash from operating activities (A)	366,865,745	147,399,032
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Net) including CWIP & Intangibles	(377,801,554)	(284,133,133)
Investment in Joint Venture	(245,300,000)	0
Proceeds from Sale of Investments	6,720,000	0
Interest Received	1,194,621	1,112,578
Dividend Received	333,027	0
Net Cash used in Investing Activities (B)	(614,853,906)	(283,020,555)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Secured Loans/(Repayments)	238,428,123	106,087,635
Investment in bank deposits	(2,218,000)	(2,384,000)
Interest paid	(30,403,709)	(11,418,179)
Net Cash used in Financing Activities (C)	205,806,414	92,285,456
Net increase/(decrease) in Cash and Cash Equivalents (A + B + C)	(42,181,747)	(43,336,067)
Cash and Cash Equivalents at the beginning of the year	49,210,001	92,546,067
Cash and Cash Equivalents at the end of the year	7,028,254	49,210,001
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash on Hand	1,632,621	5,720,738
With Banks		
- on Current Account	525,404	42,573,228
- on Deposit Account	3,964,967	2,000
- on Unpaid Dividend Account	905,262	914,035
Total	7,028,254	49,210,001
<p>As per our Report of even date attached For O.P. BAGLA & CO. Chartered Accountants Firm Registration No. 000018N</p> <p>For and on behalf of the Board of Directors for PPAP AUTOMOTIVE LIMITED</p> <p>Atul Bagla Partner (Membership No. 091885) Place : Noida Date : 27.05.2014</p> <p>Ajay Kumar Jain Chairman & Managing Director DIN 00148839</p> <p>Manish Dhariwal CFO</p> <p>Abhishek Jain Whole Time Director DIN 00137651</p> <p>Sonia Bhandari Company Secretary</p>		

SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION:

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [(Companies (Accounting Standards) Rule ,2006 ,as amended] and the other relevant provisions of the Companies Act,1956.

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 Revised Schedule VI to the Companies Act, 1956. 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.

1. USE OF ESTIMATES

The preparation of financial statements requires 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 recognised in the period in which the results are known/ materialised.

2. FIXED ASSETS & DEPRECIATION

- i) Fixed assets are stated at historical cost. Cost includes freight, installation cost, duties, taxes and incidental expenses but net of recoverable taxes.
- ii) Depreciation is charged on Straight Line Method at the rates prescribed Under Schedule XIV of the Companies Act, 1956.
- iii) Technical knowhow is being amortised on pro-rata basis over a period six years.
- iv) Leasehold land is amortised over the period of lease.

3. 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.

4. INVENTORIES

- i) Finished Goods have been valued at cost or net realizable value whichever is lower. Cost is arrived at on direct costing method.
- 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.

5. 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.

6. EXCISE DUTY / SERVICE TAX AND SALES TAX / VALUE ADDED 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. Sales Tax / Value Added tax paid is charged to Profit and Loss Account.

7. 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.

8. 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.

SIGNIFICANT ACCOUNTING POLICIES

- 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 exchange 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.

9. 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.

10. 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) Post employment and other long term employee benefits are recognised as an expense in the Profit and Loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post-employment and other long term benefits are charged to the Profit and Loss account.

11. LEASES

Assets leased by the company in the capacity of the lessee ,where the company has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalized at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is created for an equivalent amounts. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

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 Profit & Loss Account in straight line basis.

12. 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.

13. 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 assets is neither recognized nor disclosed in the financial statements.

14. Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, 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.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Amount in Rs.

1	SHARE CAPITAL	As At 31.03.2014	As At 31.03.2013
	Authorised Capital		
	20000000 Equity Shares of Rs. 10/- each	200,000,000	200,000,000
	(Previous Year 20000000 Equity Shares of Rs.10/- each)		
	Issued, Subscribed and Paid-Up Capital	140,000,000	140,000,000
	14000000 Equity Shares of Rs. 10/- each fully paid up.		
1.1	Equity Shares carry voting rights at the General Meeting of the Company and are entitled to dividend.		
1.2	The Details of Shareholders Holding More Than 5% Shares:		
	Name of Shareholder	As At 31.03.2014 No. of shares % held	As At 31.03.2013 No. of shares % held
	Ajay Kumar Jain	4,007,680 28.63	
	Abhishek Jain	1,002,404 7.16	
	Kalindi Farms Pvt. Ltd.	1,793,093 12.81	
	Devendra Kumar Jain (Huf)		2,970,000 21.21
	Asha Jain		2,385,000 17.04
	Vinay Kumari Jain	1,936,890 13.83	1,935,000 13.82
		8,740,067 62.43	7,290,000 52.07
1.3	No shares out of the issued, subscribed and paid up share capital were allotted as Bonus shares in the last five years by capitalisation of Reserves.		
	Particulars	As At 31.03.2014	As At 31.03.2013
2	RESERVES AND SURPLUS		
	Securities Premium Reserve (A)	700,000,000	700,000,000
	General Reserve :		
	Opening Balance	96,169,103	96,169,103
	Add: Transferred from Profit & Loss Account	0	0
	Total (B)	96,169,103	96,169,103
	Surplus in the Statement of Profit & Loss		
	As per last Balance Sheet	898,263,383	882,864,859
	Add : Profit for the year	54,586,961	15,398,524
	Profit available for Appropriation	952,850,344	898,263,383
	Transfer to general Reserve	-	-
	Interim dividend paid	-	-
	Provision for final dividend	-	-
	Tax on dividend	-	-
	Closing balance (C)	952,850,344	898,263,383
	Total (A)+(B)+(C)	1,749,019,447	1,694,432,486
3	LONG-TERM BORROWINGS		
	Secured		
	ICICI Bank Ltd Term Loan	120,000,000	0
	a) Secured against charge by way of hypothecation of the Stock of Raw Materials, Semifinished and Finished Goods, Consumable Stores and Spares and such other movables including book-debts, bills whether Documentary or clean, outstanding monies, receivables, both present and future, Movable Fixed Assets, Equitable Mortgage on Land and Building at B-206A, Sector-81, Phase-II, Noida and at B-4, Surajpur Industrial Area, Greater Noida and Personal Guarantees of Directors Sh. Ajay Kumar Jain and Sh. Abhishek Jain		
	b) The Loan is repayable in 20 quarterly instalments from June, 2013.		
	Rate of Interest is base rate + 2.5%.		
	HDFC Bank Ltd. - Car Loan	22,945,943	0
	Secured against hypothecation of vehicles. The Loan is repaid on agreed monthly installments.		
	ICICI Bank Ltd. - Commercial Vehicle Loan	7,754,017	0
	Secured against hypothecation of vehicles. The Loan is repaid on agreed monthly installments.		
	Unsecured :		
	From Companies	560,575	560,575
	Total	151,260,535	560,575

PPAP AUTOMOTIVE LIMITED
(FORMERLY PRECISION PIPES AND PROFILES COMPANY LIMITED)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Amount in Rs.

	Particulars	As At 31.03.2014	As At 31.03.2013
4	DEFERRED TAX LIABILITIES / (ASSETS) :		
	Deferred Tax Liability		
	Related to Fixed Assets	35,197,101	44,071,678
	Deferred Tax Asset		
	Disallowance Under the Income Tax Act, 1961.	7,510,800	8,874,577
	Net Deferred Tax Liability/(Assets)	27,686,301	35,197,101
	The Deferred Tax Credit / (Charge) for the year has been recognised in the Profit & Loss Account for the year.		
5	OTHER LONG TERM LIABILITIES		
	Security Deposits	50,400	498,600
	Total	50,400	498,600
6	LONG-TERM PROVISIONS		
	i) Provision for employee benefits		
	Gratuity	28,702,514	33,656,445
	Leave Encashment	5,518,587	6,992,113
	Total	34,221,101	40,648,558
7	SHORT-TERM BORROWINGS :SECURED		
	Working Capital Loans from banks		
	ICICI Bank Ltd	118,264,191	141,982,194
	(Secured against charge by way of hypothecation of the stock of Raw materials, semifinished and finished goods, consumable stores and spares and such other movables including book-debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, movable fixed assets, equitable mortgage on land and building at B-206A, Sector-81, Phase-II, Noida and at B-4, Surajpur Industrial Area, Greater Noida and personal guarantees of directors Sh. Ajay Kumar Jain and Sh. Abhishek Jain)		
	Axis Bank Ltd	111,446,166	0
	(Secured by a lien on book debts)		
	Total	229,710,357	141,982,194
8	TRADE PAYABLES		
	Dues to Micro & Small Enterprises	23,762,703	5,969,143
	Other Trade Payables	159,358,558	144,037,921
	Total	183,121,260	150,007,063
9	OTHER CURRENT LIABILITIES		
	i) Current Maturity of Long-Term Debt : Secured		
	- ICICI Bank Ltd Term Loan	40,000,000	0
	- HDFC Bank Ltd.- Car Loan	4,596,399	0
	- ICICI Bank Ltd.- Commercial Vehicle Loan-	1,611,326	0
	ii) Interest accrued, but not due on borrowings	306,729	0
	iii) Interest accrued and due on borrowings	0	901,479
	iv) Amount payable in respect of purchase of Fixed Assets	18,531,450	34,506,887
	v) Unpaid dividends	905,262	914,035
	vi) Statutory dues	25,962,551	35,985,762
	vii) Advance from customers	235,596,417	14,217,426
	viii) Provision for expenses	1,790,479	3,902,065
	Total	329,300,613	90,427,655
10	SHORT-TERM PROVISIONS		
	i) Provision for Employee benefits:		
	Gratuity	2,828,362	6,299,463
	Leave Encashment	1,194,905	1,873,551
	ii) Provision for Dividend	0	0
	iii) Provision for Taxation	0	0
	v) Provision for Income Tax for earlier years	0	0
	vi) Provision for Wealth Tax	190,000	114,000
	vii) Provision for Dividend Tax	0	0
	viii) Provision for excise duty on closing Stock of Finished Goods	4,789,804	2,428,875
	Total	9,003,071	10,715,889

FIXED ASSETS SCHEDULE TO THE BALANCE SHEET AS AT 31ST MARCH, 2014

Amount in Rs.

11 FIXED ASSETS		GROSS BLOCK			D E P R E C I A T I O N			N E T B L O C K		
Sr. No.	Name Of Assets	Balance as on 01.04.2013	Addition During the year	Sale/ Adjustment	Total as on 31.03.2014	Balance as on 01.04.2013	During the Year	Sale/ Adjustment	Balance as on 31.03.2014	Balance as on 31.03.2013
[A] TANGIBLE ASSETS										
	Land									
	Leasehold Land	76,936,963	-	-	76,936,963	5,064,731	793,085	-	5,857,816	71,079,146
	Freehold Land	68,639,612	131,601	-	68,771,213	2,392,893	-	-	2,392,893	66,378,320
	Factory Building	309,676,044	146,014,617	1,964,006	453,726,655	64,298,008	10,390,755	271,553	74,417,210	379,309,445
	Plant & Machinery	917,481,565	175,792,618	102,337,425	990,936,758	393,904,295	85,988,126	31,228,416	448,664,004	542,272,754
	Furniture & Fixtures	28,498,137	2,928,399	6,401,433	25,025,103	7,392,587	1,183,402	1,161,117	7,414,872	17,610,231
	Vehicles	50,813,271	45,036,697	9,745,853	86,104,115	33,881,701	4,119,120	6,258,868	31,741,953	54,362,162
	Office Equipments	31,334,276	4,841,215	5,760,678	30,414,813	9,115,305	1,368,376	2,100,737	8,382,943	22,031,870
	Dies & Moulds	512,739,615	145,670,394	110,883,425	547,526,584	70,144,240	12,353,352	381,352,635	166,173,949	189,177,868
	Computer	29,076,576	4,792,755	3,608,714	30,260,617	22,137,268	2,389,934	2,905,287	8,638,703	6,939,309
		2,025,196,058	525,208,297	240,701,535	2,309,702,820	861,748,534	176,377,037	56,279,330	981,846,241	1,327,856,579
										1,162,364,382
[B] Intangible Assets:										
	Computer Software	23,483,967	-	5,926,951	17,557,016	11,720,354	3,138,299	3,363,209	11,495,444	6,061,572
	Technical Know-How	105,217,763	22,656,551	-	127,874,314	35,874,780	17,960,824	-	53,835,604	74,038,710
		128,701,730	22,656,551	5,926,951	145,431,330	47,595,134	21,099,123	3,363,209	65,331,047	80,100,282
										81,106,596
[C] Capital Work in Progress										
	Building under construction	143,373,546	150,001,045	133,956,712	159,417,879	-	-	-	159,417,879	143,373,546
	Dies & Moulds	16,818,860	-	16,818,860	-	-	-	-	-	16,818,860
	Plant & Machinery	5,662,144	62,905,097	8,036,634	60,530,608	-	-	-	60,530,608	5,662,144
	Computer	-	2,287,685	-	2,287,685	-	-	-	2,287,685	-
	Misc. Fixed Assets	-	24,990,311	-	24,990,311	-	-	-	24,990,311	-
	Pre-operative expenses pending allocation	-	10,668,606	-	10,668,606	-	-	-	10,668,606	-
		165,854,551	250,852,746	158,812,206	257,895,090	-	-	-	257,895,090	165,854,551
	Total (Rs.)	2,319,752,339	798,717,593	405,440,692	2,713,029,240	909,343,668	197,476,159	59,642,539	1,047,177,289	1,665,851,951
	Pervious year total	1,998,154,974	411,971,968	90,374,599	2,319,752,339	730,842,751	181,112,982	2,612,066	909,343,668	1,409,325,529
										1,267,312,217

PPAP AUTOMOTIVE LIMITED

(FORMERLY PRECISION PIPES AND PROFILES COMPANY LIMITED)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Amount in Rs.

Particulars		As At 31.03.2014	As At 31.03.2013
12	NON-CURRENT INVESTMENTS (UNQUOTED-OTHER INVESTMENTS)		
	Investment in Equity Shares of Associate Companies	-	7,200,000
	Nil (Previous Year 2,40,000) Equity Shares of Kalindi Farms Pvt. Ltd. (Face Value Rs. 10/- per share - fully paid up)		
	Investment in Equity Shares of Joint Venture Companies		
	24,500,000 (Previous Year Nil) Equity Shares of PPAP Tokai India Rubber (P) Ltd. (Face Value Rs. 10/- per share - fully paid up)	245,300,000	-
	TOTAL	245,300,000	7,200,000
13	LONG-TERM LOANS AND ADVANCES (UNSECURED AND CONSIDERED GOOD)		
	i) Capital Advances	-	18,251,214
	ii) Security Deposits	12,947,180	6,508,554
	iii) Loans and advances to related parties	-	10,000,000
	iv) Other loans and advances:		
	Prepaid Exp.	1,500,000	-
	Advance Tax (Net of Income tax provision amounting Rs. 18,200,000 (Previous Year Rs. 11,05,000)	48,844,778	47,610,090
	Mat credit entitlement account	1,111,352	-
	Advance for Car Loan	-	214,591
	Advance to trade payables	-	263,972
	TOTAL	64,403,310	82,848,421
14	INVENTORIES (As taken valued and certified by the management)		
	Raw Materials	241,475,596	266,401,730
	Consumables	614,557	20,450
	Finished Goods	43,542,265	22,079,963
	Work-In-Process	16,278,951	39,939,614
	TOTAL	301,911,368	328,441,757
15	TRADE RECEIVABLES		
	Unsecured		
	Outstanding for a period exceeding six months from the date they are due for payment	4,168,522	5,578,337
	Considered Good	834,316	289,298
	Considered Doubtful		
		5,002,838	5,867,635
	Less : Provision For Doubtful Debts	834,316	289,298
		4,168,521	5,578,337
	Other Receivables		
	Considered Good	321,963,520	259,989,420
	TOTAL	326,132,042	265,567,756
16	CASH AND BANK BALANCES		
	Cash And Cash Equivalents		
	i) Balance with banks		
	- In Current Account	525,404	42,573,228
	- Bank Deposits (having maturity within 3 months)	3,964,967	0
	ii) Cash On Hand	1,632,621	5,720,738
	Other Bank Balances		
	i) Earmarked balances with banks	905,262	914,035
	ii) Bank Deposits (having maturity more than 3 months held as security against bank guarantees and LC)	12,100,000	9,884,000
	TOTAL	19,128,254	59,092,001

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Amount in Rs.

Particulars			As At 31.03.2014	As At 31.03.2013	
17	SHORT-TERM LOANS AND ADVANCES (UNSECURED AND CONSIDERED GOOD)				
	i)	Loans And Advances to Related Parties	-	-	
	ii)	Others :			
		Duty and Taxes Receivable	79,675,197	117,999,821	
		Mat Credit Entitlement	-	1,105,000	
		Interest Accrued but not received	441,911	-	
		Staff advance	349,186	246,026	
		Prepaid Expenses	5,637,839	5,465,941	
		Advance to Trade Payables	143,079,318	20,273,053	
		Advance Against Expenses	1,462,710	6,904,815	
		TOTAL	230,646,161	151,994,655	
18	REVENUE FROM OPERATION				
	i)	Sale of Products	2,459,008,683	2,147,169,602	
	ii)	Income From Services	8,560,000	7,113,980	
		TOTAL	2,467,568,683	2,154,283,582	
19	OTHER INCOME				
		Interest Received	1,194,621	1,112,578	
		Dividend Recieved	333,027	-	
		Unclaimed Balances Written Back	215,057	17,265	
		Profit on Sale of Assets	76,201,027	40,076,299	
		Export Incentives	-	419,354	
		Misc. Income	149,826	-	
		Rental Income	6,840,000	-	
		Profit from hedging	-	3,400	
		TOTAL	84,933,558	41,628,896	
20	PARTICULARS OF MATERIAL CONSUMED				
	i)	Raw Materials	1,159,491,480	1,137,767,613	
	ii)	Dyes & Chemicals	13,825,703	18,704,165	
	iii)	Packing Materials	68,569,646	52,691,152	
	iv)	Accessories	190,886,958	71,604,478	
	v)	Fabric	39,244	6,517,358	
		TOTAL	1,432,813,032	1,287,284,764	
20.1	COST OF MATERIALS CONSUMED				
	Items	2013-14		2012-13	
		Rs.	(% Age)	Rs.	(% Age)
	Imported	551,199,175	38.47	790,775,296	61.43
	Indigeneous	881,613,857	61.53	496,509,468	38.57
		1,432,813,032	100.00	1,287,284,764	100.00
21	CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROCESS				
	Closing Stock				
	Finished Goods		43,542,265	22,079,963	
	Work-In-Process		16,278,951	39,939,614	
			59,821,216	62,019,577	
	Opening Stock				
	Finished Goods		22,079,963	29,142,245	
	Work-In-Process		39,939,614	37,580,900	
			62,019,577	66,723,145	
	Stock Transferred on Slump Sale		1,164,056	-	
		TOTAL	1,034,305	4,703,568	
22	EMPLOYEE BENEFITS EXPENSE				
	i)	Salaries and wages	315,427,384	315,929,087	
	ii)	Contibution to PF and other funds	16,247,755	17,779,170	
	iii)	Staff welfare expense	22,692,406	15,959,910	
		TOTAL	354,367,545	349,668,166	

PPAP AUTOMOTIVE LIMITED
(FORMERLY PRECISION PIPES AND PROFILES COMPANY LIMITED)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Amount in Rs.

22.1	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 member 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.		
22.2	Actuarial Assumptions		
22.3	(i) 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:		
	i) Discounting Rate ii) Future salary Increase iii) Expected Rate of return on plan assets	31-03-2014 8.50 6.25 -	31-03-2013 8.00 6.00 -
22.3	(ii) Demographic Assumption i) Retirement Age (Years) ii) Mortality Table iii) Ages Up to 30 Years From 31 to 44 years Above 44 years	IALM (2006-08) Withdrawal Rate (%) 3.00 2.00 1.00	58 IALM (1994 - 96) Withdrawal Rate (%) 3.00 2.00 1.00
22.4	Change in present value of obligation Gratuity (Unfunded) a) Present value of obligation as at the beginning of the period b) Acquisition/adjustment c) Interest cost d) Past service cost e) Current service cost f) Curtailment cost/(credit) g) Settlement cost/(credit) h) Benefits paid i) Actuarial (gain)/loss on obligation j) Present value of obligation as at the end of period	39,955,908 - 3,196,473 - 3,402,745 - - 9,223,682 (5,800,568) 31,530,876	31,567,586 - 2,525,407 - 4,085,743 - - (1,066,471) 2,843,643 39,955,908
22.5	Expense recognized in the statement of profit and loss Gratuity (Unfunded) a) Current service cost b) Past service cost c) Interest cost d) Expected return on plan assets e) Curtailment cost /(credit) f) Settlement cost /(credit) g) Net actuarial (gain)/ loss recognized in the period h) Expenses recognized in the statement of profit & losses	3,402,745 - 3,196,473 - - - (5,800,568) 798,650	4,085,743 - 2,525,407 - - - 2,843,643 9,454,793
22.6	Reconciliation statement of expense in the statement of profit and loss. Gratuity (Unfunded) a) Present value of obligation as at the end of period b) Present value of obligation as at the beginning of the period c) Benefits paid d) Actual return on plan assets e) Acquisition adjustment f) Expenses recognized in the statement of profit & losses	31,530,876 39,955,908 9,223,682 - - 798,650	39,955,908 31,567,586 1,066,471 - - 9,454,793

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Amount in Rs.

22.7 Movement in the Liability recognised in the Balance Sheet	31-03-2014	31-03-2013
Gratuity (Unfunded)		
a) Opening Net Liability	39,955,908	31,567,586
b) Expenses as above	798,650	9,454,793
c) Benefits paid	(9,223,682)	(1,066,471)
d) Actual return on plan assets	-	-
e) Acquisition adjustment	-	-
f) Closing Net Liability	31,530,876	39,955,908
22.8 Change in present value of obligation related to leave encashment		
Leave Encashment (Unfunded)		
a) Present value of obligation as at the beginning of the period	8,865,664	6,782,494
b) Acquisition adjustment	-	-
c) Interest cost	709,253	542,600
d) Past service cost	-	-
e) Current service cost	1,115,047	1,274,566
f) Curtailment cost/(Credit)	-	-
g) Settlement cost/(Credit)	-	-
h) Benefits paid	(2,113,412)	(792,753)
i) Actuarial (gain)/loss on obligation	1,863,060	1,058,757
j) Present value of obligation as at the end of period	6,713,492	8,865,664
22.9 Expense recognized in the statement of profit and loss		
Leave Encashment (Unfunded)		
a) Current service cost	1,115,047	1,274,566
b) Past service cost	-	-
c) Interest cost	709,253	542,600
d) Expected return on plan assets	-	-
e) Curtailment cost / (Credit)	-	-
f) Settlement cost / (credit)	-	-
g) Net actuarial (gain)/ loss recognized in the period	(1,863,060)	1,058,757
h) Expenses recognized in the statement of profit & losses	(38,760)	2,875,923
22.10 Reconciliation statement of expense in the statement of profit and loss.		
Leave Encashment (Unfunded)		
a) Present value of obligation as at the end of period	6,713,492	8,865,664
b) Present value of obligation as at the beginning of the period	8,865,664	6,782,494
c) Benefits paid	2,113,412	792,753
d) Actual return on plan assets	-	-
e) Acquisition adjustment	-	-
f) Expenses recognized in the statement of profit & losses	(38,760)	2,875,923
22.11 Movement in the Liability recognised in the Balance Sheet		
Leave Encashment (Unfunded)		
a) Opening Net Liability	8,865,664	6,782,494
b) Expenses as above	(38,760)	2,875,923
c) Benefits paid	(2,113,412)	(792,753)
d) Actual return on plan assets	-	-
e) Acquisition adjustment	-	-
f) Closing Net Liability	6,713,492	8,865,664

PPAP AUTOMOTIVE LIMITED

(FORMERLY PRECISION PIPES AND PROFILES COMPANY LIMITED)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Amount in Rs.

23	OTHER EXPENSES	31-03-2014	31-03-2013
	Consumption of stores and spare parts	38,752,646	55,944,159
	Power and fuel	87,975,034	87,175,637
	Rent	14,203,067	12,081,176
	Repairs to buildings	8,949,800	7,638,049
	Repair & Maintenance-Others	5,070,823	5,919,299
	Insurance	1,929,320	3,779,076
	Excise duty #	3,166,295	545,216
	Rates and Taxes Including Wealth Tax	2,348,300	234,636
	Miscellaneous Expenses	2,374,365	2,772,376
	Other Manufacturing Expense	29,652,214	9,505,375
	Factory Expenses	19,318,846	20,442,197
	Payment to Collaborators/Royalty	31,857,920	31,242,755
	Printing & Stationery	12,044,333	13,999,400
	Postage & Telephone Expenses	5,914,477	6,093,967
	Fees & Subscription	1,630,547	2,121,960
	Director's Sitting Fees	619,606	1,024,048
	Legal & Professional Fees	14,599,217	7,789,380
	Bank Charges	4,570,515	3,175,956
	Auditor's Remuneration	599,440	224,720
	Travelling & Conveyance	24,737,947	17,581,192
	Factory Security	5,121,322	6,638,739
	Motor Car Expenses	3,212,815	4,542,414
	Service Tax & Cess	48,747	1,912,158
	Office Electricity	699,713	1,771,966
	Charity & Donation	101,836	66,100
	Listing Expenses	250,584	94,979
	Meeting Expenses	80,752	78,652
	Loss on Sale of Investment	480,000	-
	Advertisement & Sales Promotion	6,422,616	7,515,553
	Discount & Short Recovery	11,284,501	12,835,411
	Freight & Cartage	67,896,529	57,697,310
	Provision For Bad & Doubtful Debts	545,018	-
	Additional Demand Sales Tax	451,051	513,116
	Diff of Exchange Rate in Foreign Transaction	1,393,749	2,709,418
	Less: Cost of Molds Capitalized	(6,717,619)	(28,871,469)
	TOTAL	401,586,324	356,794,922
	# Excise Duty shown under expenditure represents the aggregate of excise duty borne by the Company and difference between excise duty on opening and closing stock of finished goods.		
24	FINANCE COST		
	i) Interest Expenses	30,403,709	11,324,618
	ii) Other Borrowing Costs		93,561
	TOTAL	30,403,709	11,418,179
24.1	Value of import on C I F basis		
	Raw Material	523,352,061	773,106,369
	Stores & Spares	3,474,724	7,205,124
	Capital Goods	128,428,439	155,556,519
	TOTAL	655,255,224	935,868,013

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Amount in Rs.

24.2	Auditors' Remuneration*	31-03-2014	31-03-2013
	Statutory Audit	300,000	150,000
	Tax Audit	100,000	50,000
	Fee For Certification & Other Services	199,440	35,200
	TOTAL	599,440	235,200
	* Exclusive of Service Tax.		
24.3	Expenditure In Foreign Currency		
	Payment to Collaborators	123,662,635	115,013,828
	Foreign Travel	9,275,968	5,513,300
	Interest on ECB	-	153,043
	TOTAL	132,938,603	120,680,171
25	CURRENT TAX		
	i) Provision for Tax on Income	18,200,000	1,105,000
	ii) Provision for Taxation for Earlier Year	-	-
	iii) Income Tax Related to Earlier Years	-	371
	iv) Excess Provision of Income Tax Written Back	16,050,245	(727,981)
	v) Excess Provision of Wealth Tax Written Back	-	-
	vi) Provision for Tax Under Mat	-	-
	vii) Adjustment for Mat Credit Entitlement Account	(1,111,352)	(1,105,000)
	Total	33,138,893	(727,610)
26	EARNING PER SHARE (EPS)		
	i) Net Profit after Taxation	54,586,961	15,398,524
	ii) Numbers of Equity Shares	14,000,000	14,000,000
	iii) Earning Per Share (Basic/Diluted)	3.90	1.10
27	EARNING IN FOREIGN EXCHANGE		
	FOB Value of Exports	114,221	7,031,799
	Total	114,221	7,031,799
28	DIVIDEND REMITTED IN FOREIGN CURRENCY (REPATRIATION BASIS)		
	Dividend remitted during the year (in Rs.)	-	-
	Dividend remitted during the year (in Yen)	-	-
	No. of non-resident shareholders	1	1
	No. of shares for which dividend remitted	-	-
29	RELATED PARTY DISCLOSURES		
	A Related Party Transactions, as required by AS - 18, "Related Party Disclosures" are as given below :		
	i Related Parties in the group where common control exists :		
	a) Ajay Poly Private Ltd.		
	b) A I C (Plastic) Private Ltd.		
	c) Ajay Industrial Corporation Ltd.		
	d) Kalindi Farms Pvt. Ltd.		
	e) Ajay Industrial Polymers Pvt. Ltd.		
	f) Seiki Auto India Pvt. Ltd.		
	ii Key Management Personnel of the Company :		
	a) Sh. Ajay Kumar Jain : Chairman & Managing Director		
	b) Sh. Abhishek Jain : Whole Time Director		
	iii Joint Venture		
	a) PPAP Tokai India Rubber Pvt. Ltd.		
	iv Relatives of the Key Management Personnel		
	a) M/s. D. C. Jain (H. U. F)		
	b) Sh. S.C. Jain		
	c) Sh. Rajiv Jain		

PPAP AUTOMOTIVE LIMITED
(FORMERLY PRECISION PIPES AND PROFILES COMPANY LIMITED)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Amount in Rs.

B	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 Venture		Key Management Personnel and relative of the Key Management Personnel	
		31-03-2014	31-03-2013	31-03-2014	31-03-2013	31-03-2014	31-03-2013
	Material/Licence Purchases	1,903,779	3,729,647	-	-	-	-
	Sales	-	25,462,101	90,909,853	-	-	-
	Sale of Fixed Assets	-	-	-	-	-	-
	Rent & Lease Charges Paid	8,926,440	8,400,000	-	-	45,000	540,000
	Remuneration paid	-	-	-	-	4,822,900	8,500,000
	Receipts of other services	-	-	24,952,629	-	-	-
	Dividend Paid	-	-	-	-	-	-
	Advance	-	-	-	-	-	-
	Receipts from slump sale	65,000,000	-	-	-	-	-
	Balance outstanding at the year end :						
	Amount Payable	-	-	-	-	-	-
	Amount Recoverable	56,050,000	11,050,000	-	-	-	-

Sales include sale of Fixed Assets of Rs 88,95,214/-to PPAP Tokai India Rubber Pvt Ltd (P.Y-Nil)

Other Services include Management support fee, reimbursement of expenses & rental income from PPAP Tokai India Rubber Pvt Ltd (P.Y-Nil)

30	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".

31	CONTINGENT LIABILITIES & COMMITMENTS
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PARTICULARS		As At 31.03.2014	As At 31.03.2013
CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:			
i)	Letters of Guarantees	37,480,800	20,000
ii)	Letters of Credit	58,759,404	12,606,735
iii)	Income Tax Appeal :		
	For Asst.Year.2003-04	55,655	55,655
	For Asst. Year 2007-08	927,572	927,572
	For Asst. Year 2009-10	1,975,945	1,975,945
	For Asst. Year 2010-11	2,680,825	2,680,825
	For Asst. Year 2011-12	3,463,470	-
iv)	Sales Tax / VAT/ Entry Tax	351,890	476,492
v)	Service Tax	63,630	63,630
vi)	Civil Suit	8,455,357	8,455,357
vii)	Central Excise (Duty paid under protest is Rs.1,489,081/-)	7,283,858	15,705,198
		121,498,406	42,967,409

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Amount in Rs.

Notes :-

- (i) The Deputy commissioner of income tax has imposed a penalty of Rs. 55,655/- u/s 271 (1) (c) of the The Income Tax Act, 1961. for A.Y. 2003-04. The company had filed an appeal against the aforesaid order with CIT (Appeals) and the same is pending before CIT (Appeals).
- (ii) Income Tax Assessment for the A.Y. 2007-2008 was completed under section 143(3) of the Income Tax Act, 1961, wherein demand of Rs. 9,27,572/- was raised. The company had filed an appeal against the aforesaid order with CIT (Appeals)
- (iii) A demand of Rs. 19,75,945/- for the Assessment Year 2009-10 and Rs. 26,80,825/- for the Assessment Year 2010-11 was raised u/s 143(3) of the Income Tax Act, 1961. The Company had filed an appeal against the demand with CIT (Appeals) and the same is pending before CIT (Appeals).
- (iv) A case for demand of service tax of Rs. 63,630/- pertaining to 17.02.2002 to 31.03.2004 is pending before Deputy Commissioner.
- (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 Rs. 1,66,697/- was raised which was reduced to Rs. 1,13,957/- vide review order. The company had deposited a sum of Rs. 68,516/- being undisputed demand and company had filed an appeal against the balance demand of Rs. 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 dt. 18.08.06.
- (vi) A demand of Rs. 84,55,357/- 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 High Court but the notice for listing not received from the court.
- (vii) Demand of excise duty of Rs. 1,05,836/- alongwith penalty of Rs. 1,05,836/- was imposed on the company by Addl. Commissioner, Central Excise, Delhi, for Cenvet credit taken on payment of duty through DEPB licence, 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 Rs. 35,36,033/- alongwith penalty of Rs. 35,36,033/- was imposed on the company by Addl. Commissioner, Central Excise, Delhi, for Cenvet credit taken on payment of duty through DEPB licence, 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.
- (ix) Sales Tax Assessments of the Company has been completed till F.Y. 2009-2010 in the case of UP Units wherein Net Demand of Rs. 4,31,051/- was imposed & such amount has not been provided in the Books of Accounts and Sales Tax Assessment for Delhi Units completed upto F.Y. 2010-2011 and demand raised were paid.
- (x) Income tax assessments of the Company were completed till the assessment year 2010-11. However, appeals for the Assessment Year 2007-08 and 2009-10 are pending before the Hon'ble CIT Appeal. No provision has been made in the accounts for additional income tax liabilities for Assessment Year 2010-11 to 2011-12 as amount is unascertained.

- 32 During the year the company has transferred its 'PDC Business Division- (Mainline Power Distribution System Business Division)' and 'White Goods Business Division' by way of Slump Sale. Net Loss on Slump sale transactions is shown as Extraordinary Item in the Statement of Profit & Loss. Detail of Sales Consideration, Assets transferred and Loss incurred is as under:

Particulars	PDC Business Division	White Goods Business Division	Total
Sales Consideration	35,000,000	30,000,000	65,000,000
Less: Net Assets Transferred	66,820,015	52,786,097	119,606,112
Loss on Slump Sale	31,820,015	22,786,097	54,606,112

- 33 The previous year's figures have been accordingly regrouped/reclassified to conform to the current year's classification. The figures of previous year were audited by a firm of Chartered Accountants other than M/s O.P. Bagla & Co.

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

Atul Bagla
Partner
(Membership No. 091885)

Place : Noida
Date : 27.05.2014

For and on behalf of the Board of Directors
for **PPAP AUTOMOTIVE LIMITED**

Ajay Kumar Jain
Chairman & Managing Director
DIN 00148839

Manish Dhariwal
CFO

Abhishek Jain
Whole time Director
DIN 00137651

Sonia Bhandari
Company Secretary

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MANUFACTURING FACILITIES

India



CUSTOMERS






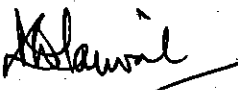

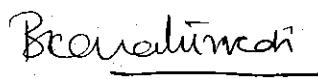
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PPAP Automotive Limited

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

Form A**Format of covering letter of the Annual Audit Report to be filed with the Stock Exchanges**

1.	Name of the Company	PPAP Automotive Limited (Formerly Precision Pipes and Profiles Company Limited) 54, Okhla Industrial Estate, Phase III, New Delhi – 110020
2.	Annual Financial statements for the year ended	March 31, 2014
3.	Type pf Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by	
	 Chairman & Managing Director – Ajay Kumar Jain	
	 Chief Financial Officer – Manish Dhariwal	
	Auditor of the Company – For O.P Bagla & Co. Chartered Accountants, Firm Registration No. 000018N  Atul Bagla Partner Membership No. 091885	
	 Audit Committee Chairman – Bhuwan Kumar Chaturvedi	