



PPAP Automotive Limited

(Formerly Precision Pipes and Profiles Company Limited)

CIN NO. L74899DL1995PLC073281

Corporate Office :

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

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

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

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, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable

For PPAP Automotive Limited

Ajay Kumar Jain
Chairman & Managing Director

For PPAP Automotive Limited

Bhuwan Kumar Chaturvedi
Chairman of Audit Committee

For PPAP Automotive Limited

Manish Dhariwal
Chief Financial Officer

For O.P Bagla & Co.

Chartered Accountants

(Firm Registration No.000018N)

Atul Bagla
Partner
Membership No. 091885



PPAP Automotive Limited

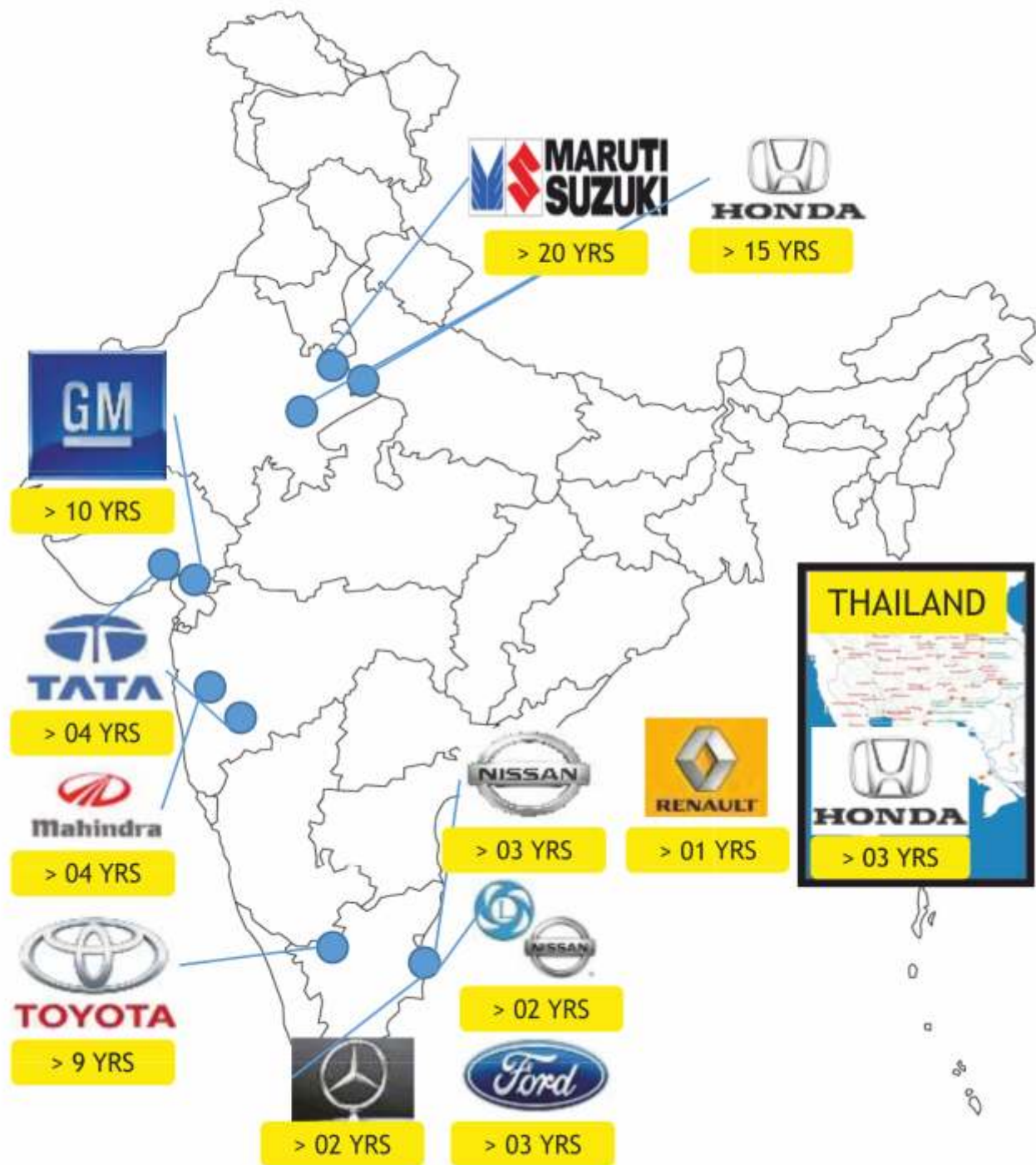
(Formerly Precision Pipes and Profiles Company Limited)

Annual Report 2014-15

Taking Challenges, Together



CUSTOMERS



CHAIRMAN'S MESSAGE

Dear Shareholders,

It gives me immense pleasure to be able to communicate with you, once again, at the end of an exciting year and also present to you, your Company's Annual Report for the year ended 31st March, 2015.

The last year commenced with very high expectations of economic revival and strong growth due to a new Central Government. However, despite multiple initiatives by the Central Government, India could not register significant growth due to the drag by multiple geo-political factors like the political and financial crisis in Europe, lack of global demand, appreciation of the US dollar, high interest rates, etc.



On the positive side, the fall in the commodity and oil prices have helped to reduce the inflation.

Despite the Global headwinds, India could grow at 7.3% in FY 2014-15. Going forward, the future outlook looks positive, as further reforms and easing of the interest rates are likely to boost the Indian economy and the country may be heading for double digit growth 2-3 years, from now.

In FY 2014-15, the combined growth of the entire Indian automotive industry was 8.68%. However, the growth in domestic passenger vehicles was at 3.9% only.

During your Company's three decade journey in the automotive industry, we have always been a leading manufacturer of automotive parts, in our product segments. We have always been and are continuously investing in technology and we are rapidly improving the skills and knowledge of our people. Further, we are constantly associating ourselves with global technology partners and are benchmarking our operations with the best in the world.

During the year under review, your Company's revenue from operations increased by 29.07% over the previous year. The Profit after tax (PAT) registered a growth of 120.14%. Your Company was able to improve upon its PAT margins from 2.1% to 3.78% of sales. We have been growing at a CAGR of 13.75% during the past 5 years, despite the stagnation in the Indian economy and in the automotive market.

During the year, your Company successfully commenced production at its new plant at Pathredi, in Rajasthan.

I am happy to inform that as part of our Corporate Social Responsibility (CSR) program, your Company is pursuing-“Education for the underprivileged children”.

I also take this opportunity to express my sincere gratitude to our customers, stakeholders, technology partners, financiers, employees and suppliers for their unstinted support over the past several years. Without their valuable and continued contribution, we would not have reached, where we are today.

Yours truly,

A handwritten signature in black ink, appearing to read 'Ajay Kumar Jain', written in a cursive style.

Ajay Kumar Jain
Chairman & Managing Director





CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Ajay Kumar Jain	Chairman and 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	Executive Director

CHIEF FINANCIAL OFFICER

Mr. Manish Dhariwal

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Sonia Bhandari

STATUTORY AUDITORS

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

COST AUDITORS

M/s. Chittora & Co.
Cost Accountants

BANKERS

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

CIN : L74899DL1995PLC073281

REGISTERED OFFICE

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

CORPORATE OFFICE

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

REGISTRAR AND SHARE TRANSFER AGENT

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

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DIRECTORS' REPORT

Dear Members,
PPAP Automotive Limited

Your Directors have pleasure in presenting the Twentieth Annual Report together with the audited financial statements for the year ended 31st March, 2015.

Financial highlights

₹ in crores

Particulars	For the year ended	
	31-Mar-15	31-Mar-14
Total Revenue	322.64	255.11
Earnings before interest, tax, depreciation and amortization expense (EBITDA)	44.50	36.27
Less: interest	7.12	3.04
Depreciation & amortization	21.53	19.74
Profit / (loss) before extraordinary items and tax	15.83	13.48
Less: extraordinary items	0	5.46
Profit / (loss) before tax (PBT)	15.83	8.02
Less: Tax expenses		
Current tax	2.78	3.31
Deferred tax	1.02	(0.75)
Profit / (loss) for the period (PAT)	12.02	5.45
Add : profit brought forward from previous year	95.28	89.82
Total available profits	107.3	95.28
Less: Transferred to reserves	1.20	-
Dividend amount including dividend distribution tax	1.67	-
Profits carried forward to the following year	104.43	95.28

Business Operations

Revenue from operations (net of excise) of your Company has increased to ₹ 318.50 crores as against ₹ 246.75 crores in the previous year, registering a growth of 29.07%.

The profit after tax of your Company registered a growth of 120.14% . During the year under review, the Company was able to improve its profit after tax margin from 2.1% to 3.78% of sales. The growth in profit is due to the management's continuous focus on improving the overall efficiencies of each operation of the Company. The initiatives taken have resulted in improving the operating margins. Due to continued focus on optimizing the capital expenditure, the results are showing an improvement trend due to increase in utilization of assets.

During the year under review, the Company successfully commenced commercial production at the new plant established in Pathredi region in Rajasthan. The Company will be able to provide cost effective products to its customers in Bhiwadi (Rajasthan), Neemrana (Rajasthan) and Manesar (Haryana) areas. Your Company continuously engages with the technology partners to offer latest technology to the customers as well as improving the skills and knowledge of its employees.

Dividend

Your Directors are pleased to recommend a dividend of ₹ 1 per equity share of ₹ 10/- each for the financial year ended

Directors' Report

31st March, 2015. The payment of dividend is subject to the approval of shareholders at the ensuing Annual General Meeting of the Company. The total outgo on account of equity dividend amounts to ₹ 1.68 crores including dividend distribution tax of ₹ 0.28 crores.

Transfer to Reserves

Your Company has transferred ₹ 1.20 crores to the General Reserve from the accumulated profits.

Deposits

During the year under review, your Company has not accepted any deposits within the meaning of provisions of Chapter V (Acceptance of Deposits by Companies of the Companies Act, 2013) read with the Companies (Acceptance of Deposits) Rules, 2014.

Technical Collaboration

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

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

Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT- 9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, is annexed herewith as "Annexure- A" to this Report.

Number of Board Meetings

The Board met four times during the financial year, the details of which are given in the Corporate Governance Report.

Directors and Key Managerial Personnel

During the financial year 2014-15, Mr. Ashok Kumar Jain was appointed as Additional / Independent Director of your Company with effect from 27th May, 2014. Subsequently, he was appointed as an Independent Director by the shareholders at the 19th Annual General Meeting of the Company held on 27th September, 2014, on non-rotational basis to hold office up to 5 (five) consecutive years till 26th May, 2019.

Mr. Bhuwan Kumar Chaturvedi, was appointed as Additional / Independent Director with effect from 26th December, 2013. Subsequently, he was appointed as an Independent Director by the shareholders of the Company at the Annual General Meeting held on 27th September, 2014, on non-rotational basis to hold office up to 5 (five) consecutive years till 25th December, 2018.

Ms. Vinay Kumari Jain, was appointed as Additional / Non-Executive Director of your Company with effect from 26th December, 2013. Subsequently, she was appointed as a Non-Executive Director by the shareholders of the Company at 19th Annual General Meeting held on 27th September, 2014 on rotational basis.

Further, in compliance with the provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, Mr. Pravin Kumar Gupta was appointed as Independent Director on the Board of your Company at the 19th Annual General Meeting held on 27th September, 2014 on non-rotational basis to hold office up to 5 (five) consecutive years till 31st March, 2019.

Mr. Abhishek Jain retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

Mr. Ajay Kumar Jain, Chairman & Managing Director, with effect from 1st November, 2015 and Mr. Abhishek Jain, Whole Time Director (who is liable to retire by rotation), with effect from 3rd June, 2015 are to be re-appointed at the ensuing Annual General Meeting for the tenure of three years.

Directors' Report

Directors' Responsibility Statement

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

- i. that in the preparation of annual accounts for the financial year ended 31st March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii. that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the profit and loss of the Company for the financial year ended 31st March, 2015;
- iii. that the proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the annual accounts for the financial year ended 31st March, 2015 have been prepared on a 'going concern basis';
- v. that the internal financial controls are adequate and are operating effectively; and
- vi. that proper systems to ensure compliance with the provisions of all applicable laws are adequate and operating effectively.

Evaluation of the Board's performance / effectiveness

In terms of provisions of the Companies Act, 2013 read with Rules issued thereunder and Clause 49 of the Listing Agreement, the Board of Directors have evaluated the effectiveness of the Board. Accordingly, the performance evaluation of the Board, each Director and the Committees was carried out for the financial year ended 31st March, 2015. The evaluation of the Directors was based on various aspects which, *inter alia*, included the level of participation in the Board Meetings, understanding of their roles and responsibilities, business of the Company along with the environment and effectiveness of their contribution. The Board subsequently evaluated its own performance, the working of all Board Committees and Independent Directors (without participation of the relevant Director).

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Independent Directors at their meeting, without the participation of the Non-Independent Directors and Management, considered / evaluated the Boards' performance, performance of the Chairman and other Non-Independent Directors.

Nomination and Remuneration Policy

In accordance with the Section 178 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules thereunder and Clause 49 of the Listing Agreement, the Board of Directors formulated the Nomination and Remuneration Policy on the recommendation of the Nomination and Remuneration Committee of the Company.

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

1. Ensuring appropriate induction & training program: The Committee shall ensure that there is an appropriate induction & training program in place for new Directors, KMPs and members of Senior Management and review its effectiveness;
2. Formulate the criteria for appointment as a Director: The Committee shall formulate criteria and review them on an ongoing basis for determining qualifications, skills, experience, expertise, qualities, positive attributes required to be a Director of the Company.
3. Identify persons who are qualified to be Directors / Independent Directors / KMPs / SMPs: The Committee shall identify persons, who are qualified to become Directors / Independent Directors / KMPs / SMPs and who satisfy the criteria laid down under the provisions of the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment, for the time being in force.
4. Nominate candidates for Directorships subject to the approval of Board: The Committee shall recommend to the Board the appointment of potential candidates as Non-Executive Director or Independent Director or Executive Director, as the case may be.
5. Evaluate the performance of the Board: The Committee shall determine a process for evaluating the performance of every Director, Committees of the Board and the Board, on an annual basis.

Directors' Report

6. **Remuneration of Managing Director / Directors:** The Committee shall ensure that the tenure of Executive Directors and their compensation packages are in accordance with applicable laws, in line with the Company's objectives, shareholders' interests and comparable with industry standards.
7. **Review performance and compensation of Non-Executive Independent Directors:** The Committee shall review the performance of the Non-Executive Independent Directors of the Company. The Committee shall ensure that the Non-Executive Independent Director(s) may receive remuneration by way of sitting fees for attending the meetings of Board or Committee(s), thereof provided that the amount of such fees shall be subject to ceiling / limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment, for the time being in force.
8. **Review performance and compensation of KMPs / SMPs etc.:** The Committee shall ensure that the remuneration to be paid to KMPs / SMPs shall be based on the experience, qualifications and expertise of the personnel and governed by the limits, if any, prescribed under the Companies Act, 2013 and rules made thereunder or any other enactment, for the time being in force.
9. **Directors' and Officers' Insurance:** The Committee shall ensure that where any insurance is taken by the Company on behalf of its Directors, KMPs / SMPs either for indemnifying them against any liability or any other matter as may be deemed fit, the premium paid on such insurance, shall not be treated as part of the remuneration payable, to any such personnel.

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

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

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

i) Associate Companies

During the financial year 2014-15, PPAP Automotive Chennai Private Limited and PPAP Automotive Technology Private Limited became wholly owned subsidiaries of your Company and cease to be the subsidiaries by 31st March, 2015. Both the above mentioned companies ceased to be the subsidiaries of your Company during the year. Currently, your Company holds 40% stake in the equity share capital in both of the mentioned companies.

ii) Joint Venture

PPAP Tokai India Rubber Private Limited (JV) is a joint venture between your Company and Tokai Kogyo Co. Ltd., Japan. The JV company utilizes the Rubber (Metal and Non-Metal) and thermoplastic vulcanized (TPV) extrusion technology for manufacturing Automotive sealing systems. Your Company has invested ₹ 13 crores in JV Company during the financial year 2014-15.

The JV company's esteemed customers includes Maruti Suzuki India Limited, Honda Cars India Limited and Toyota Kirloskar Motor Private Limited. JV company also exports to TOACS (Thailand) Co. Limited.

Corporate Governance

As per Clause 49 of the Listing Agreement with the stock exchanges, a separate section on corporate governance practices is annexed herewith as "Annexure-C", followed by the Company, together with a certificate from the Practising Company Secretary confirming compliance, forms an integral part of this Report.

Management Discussion and Analysis Report

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

Directors' Report

Material changes and commitments affecting the financial position of the Company which have occurred between 31st March, 2015 and 26th May, 2015 (date of the Report)

There were no material changes and commitments affecting the financial position of the Company between the end of financial year (31st March, 2015) and the date of the Report (26th May, 2015).

Particulars of loans, guarantees or investments

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

A) Details of investments made by the Company as on 31st March, 2015

Investment in Equity Shares

Name of the Company	Amount as at 31 st March, 2015 (in ₹)
PPAP Tokai India Rubber Private Limited	375,000,000
PPAP Automotive Chennai Private Limited	40,000
PPAP Automotive Technology Private Limited	40,000

B) There are no loans given and guarantees issued by your Company in accordance with Section 186 of the Companies Act, 2013 read with the Rules issued thereunder.

Related Party Transactions

During the financial year 2014-15, your Company has entered into transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 read with Companies (specification of definitions details) Rules, 2014, which were in the ordinary course of business and are on arms' length basis and in accordance with the provisions of the Companies Act, 2013, rules issued thereunder and Clause 49 of the Listing Agreement. During the financial year 2014-15, there were no transactions with related parties which qualify as material transactions under the Listing Agreement. All Related Party Transactions are placed before the Audit Committee for approval.

The details of the related party transactions as required under Accounting Standard-18 are set out in note no. 31B to the financial statements forming part of this report.

The Form AOC- 2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed herewith as "Annexure- E" to this Report.

Auditors

Statutory Auditors

The Members at the 19th Annual General Meeting of the Company held on 27th September, 2014 have approved the appointment of M/s. O.P. Bagla & Co. (Firm Registration No. 000018N), Chartered Accountants, New Delhi, as statutory auditors for a period of four years commencing from the nineteenth Annual General Meeting till the conclusion of the twenty third Annual General Meeting, subject to ratification by the Members of the Company at every Annual General Meeting.

In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the statutory auditors shall be placed for ratification by the shareholders at every Annual General Meeting. Accordingly, the appointment of M/s. O. P. Bagla & Co., Chartered Accountants, New Delhi, as statutory auditors of the Company, will be placed for ratification by the shareholders at the ensuing Annual General Meeting. In this regard, the Company has received a certificate from the statutory auditors to the effect that if their appointment is ratified by the members of the Company, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

The Auditors' Report for the financial year 2014-15 does not contain any qualification, reservation or adverse remarks.

Directors' Report

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. VLA & Associates, Company Secretaries, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditors is annexed herewith as "Annexure-F" to this Report.

The Secretarial Auditors' Report for the financial year 2014-15 does not contain any qualification, reservation or adverse remarks.

Cost Auditors

The Board had appointed M/s. Chittora & Co., Cost Accountants for the financial year 2014-15 to carry out the cost audit of Company's records. However, pursuant to a clarification provided by the Ministry of Corporate Affairs, the cost audit for the financial year 2014-15 was not applicable to the Company and hence for the financial year 2014-15, cost audit was not conducted.

As per Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the Board of Directors of your Company has appointed M/s. Chittora & Co., Cost Accountants, as the Cost Auditors for the financial year 2015-16 on the recommendations made by the Audit Committee. The remuneration proposed to be paid to the Cost Auditors, subject to the ratification by the members at the ensuing Annual General Meeting, would be ₹ 125,000 (Rupees one lakh twenty five thousand only) excluding taxes and out of pocket expenses, if any.

Your Company has received consent from M/s. Chittora & Co., Cost Accountants, to act as the Cost Auditors of your Company for the financial year 2015-16 along with a certificate confirming their independence.

Corporate Social Responsibility

The Board of Directors at its meeting held on 13th November, 2014 approved the Corporate Social Responsibility (CSR) Policy for your Company pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, on the recommendations of the CSR Committee. The CSR Policy outlines the CSR vision of your Company which is based on embedded tenets of trust, fairness and care.

The initiatives undertaken by your Company during the financial year 2014-15 in CSR have been detailed in this Annual Report. The CSR activities in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, is annexed herewith as "Annexure-G" to this Report.

Risk Management Policy

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

During the financial year 2014-15, the Board of Directors of your Company has approved the Risk Management Policy.

The details of Risk Management as practiced by the Company are provided as part of Management Discussion and Analysis Report attached as "Annexure-D" to this Report.

Details of Significant and Material Orders passed by the Regulators

During the financial year 2014-15, no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Details on Internal Financial Controls related to Financial Statements

Your Company has put in place adequate internal financial controls with reference to the financial statements.

Your Company has adopted accounting policies which are in line with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 that continue to apply under Section 133 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. These



Directors' Report

policies are in accordance with generally accepted accounting principles in India. Changes in policies, if any, are approved by the Audit Committee in consultation with the Auditors.

Your Company, in preparing its financial statements makes judgements and estimates. The Management periodically reviews the financial performance of your Company against the approved plans across various parameters and takes necessary action, wherever necessary.

Your Company has laid down Code of Conduct applicable to all its employees along with a Whistle Blower Policy. Any non-compliance noticed, is to be reported and action taken in line with the Whistle Blower Policy.

Vigil Mechanism / Whistle Blower Policy

Your Company has adopted a Whistle Blower Policy pursuant to which employees of the Company can raise their concerns relating to fraud, malpractice or any other activity or event which is against the interest of the Company or society, as a whole. The details of complaints received and the action taken are reviewed by the Chairman of the Company or Chairman of the Audit Committee, in exceptional circumstances.

The functioning of the Whistle Blower Mechanism is reviewed by the Audit Committee from time to time.

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

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

Appreciation

Your Directors place on record their sincere appreciation to all employees of the Company for their hard work, unstinted commitment and continued value addition to the Company.

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

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

For and on behalf of the Board of Directors

Place : Noida

Date : 26th May, 2015

Ajay Kumar Jain

Chairman & Managing Director

DIN: 00148839

Abhishek Jain

Whole Time Director

DIN: 00137651

Annexure-A to the Directors' Report**Form No. MGT-9****Extract of Annual Return as on 31st March, 2015**

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

I. Registration and other details

CIN	L74899DL1995PLC073281
Registration Date	18/10/1995
Name of the Company	PPAP Automotive Limited
Category / Sub-Category of the Company	Company limited by Shares / Indian non-Government Company
Address of the Registered Office and Contact details	54, Okhla Industrial Estate, Phase-III, New Delhi-110020 Ph No.: +91-11-26311671 / 26910777
Whether listed Company (Yes / No)	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited 44, Community Centre, 2 nd Floor, Naraina Industrial Estate, Phase-1, Delhi-110028 Email: delhi@linkintime.co.in Ph No.: +91-11-414140592 / 93 / 94

II. Principal business activities of the Company

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

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

III. Particulars of holding, subsidiary and associate companies

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

Annexure-A to the Directors' Report

IV. Share holding pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category wise Share Holding										
	Category of Shareholders	No. of shares held at the beginning of the year (As on 01.04.2014)				No. of shares held at the end of the year (As on 31.03.2015)				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A	Promoters									
1	Indian									
a.	Individuals / HUF	7,039,268	-	7,039,268	50.28	6,528,068	-	6,528,068	46.63	(3.65)
b.	Central Govt. / State Govt.	-	-	-	-	-	-	-	-	-
c.	Bodies Corporate	1,793,093	-	1,793,093	12.81	2,313,093	-	2,313,093	16.52	3.71
d.	Banks / FI	-	-	-	-	-	-	-	-	-
e.	Any other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)		8,832,361	-	8,832,361	63.09	8,841,161	-	8,841,161	63.15	0.06
2	Foreign									
a.	NRI Individuals	-	-	-	-	-	-	-	-	-
b.	Other Individuals	-	-	-	-	-	-	-	-	-
c.	Bodies Corporate	-	-	-	-	-	-	-	-	-
d.	Banks / FI	-	-	-	-	-	-	-	-	-
e.	Any other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)		-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter(s) (A)=(A)(1)+(A)(2)		8,832,361	-	8,832,361	63.09	8,841,161	-	8,841,161	63.15	0.06
B	Public Shareholding									
1	Institutions									
a.	Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
b.	Banks / FI	150,462	-	150,462	1.07	125,743	-	125,743	0.90	(0.18)
c.	Central Govt. / State Govt.	-	-	-	-	-	-	-	-	-
d.	Venture Capital Funds	-	-	-	-	-	-	-	-	-
e.	Insurance Companies	-	-	-	-	-	-	-	-	-
f.	FIIIs	-	-	-	-	-	-	-	-	-

Annexure-A to the Directors' Report

	Category of Shareholders	No. of shares held at the beginning of the year (As on 01.04.2014)				No. of shares held at the end of the year (As on 31.03.2015)				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
g.	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
h.	Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B) (1)		150,462	-	150,462	1.07	125,743	-	125,743	0.90	(0.18)
2) Non-Institutions										
a.	i) Body Corporates	1,220,371	-	1,220,371	8.72	1,199,076	-	1,199,076	8.56	(0.15)
	ii) Overseas	-	-	-	-	-	-	-	-	-
b.	Individuals									
	Individual Shareholders holding nominal share capital upto ₹ 1 lakh	2,015,281	157	2,015,438	14.40	2,059,610	146	2,059,756	14.71	0.31
	Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	1,410,384	-	1,410,384	10.07	1,326,175	-	1,326,175	9.48	(0.60)
c.	Others (specify)									
	i) Non-Resident Indian	55,967	-	55,967	0.40	69,423	-	69,423	0.50	0.10
	ii) Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
	iii) Foreign Companies	-	225,000	225,000	1.61	-	225,000	225,000	1.61	-
	iv) Foreign Portfolio Investors	-	-	-	-	111,030	-	111,030	0.79	0.79
	v) Clearing Members	89,973	-	89,973	0.64	42,636	-	42,636	0.30	(0.34)
d.	Trusts	44	-	44	0.00	-	-	-	-	(0.00)
Sub-Total (B) (2)		4,792,020	225,157	5,017,177	35.84	4,807,950	225,146	5,033,096	35.95	0.11
Total Public Shareholding (B)=(B)(1) + (B)(2)		4,942,482	225,157	5,167,639	36.91	4,933,693	225,146	5,158,839	36.85	(0.06)
c.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Sub-Total (C)		-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)		13,774,843	225,157	14,000,000	100.00	13,774,854	225,146	14,000,000	100.00	-

Annexure-A to the Directors' Report

ii) Shareholding of Promoters (including promoter group)

Sr. No.	Shareholders' Name	Shareholding at the beginning of the year (As on 01.04.2014)			Shareholding at the end of the year (As on 31.03.2015)			% change during the year
		No. of shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Ajay Kumar Jain	4,007,680	28.63	0.00	4,007,680	28.63	0.00	0.00
2	Vinay Kumari Jain	1,936,890	13.83	0.00	1,416,890	10.12	0.00	(3.71)
3	Abhishek Jain	1,002,404	7.16	0.00	1,002,404	7.16	0.00	0.00
4	Ajay Kumar Jain HUF	90,123	0.64	0.00	90,123	0.64	0.00	0.00
5	Rashi Jain	2,171	0.02	0.00	10,971	0.08	0.00	0.06
6	Kalindi Farms Private Limited	1,793,093	12.81	0.00	1,793,093	12.81	0.00	0.00
7	Sri Lehra Jewellers Private Limited	0	0	0.00	520,000	3.71	0.00	3.71
8	Abhishek Jain HUF	0	0	0.00	0	0	0	0.00
9	*Ajay Kumar Jain Holdings Private Limited	0	0	0.00	0	0	0	0.00
10	*Arhaan Holdings Private Limited	0	0	0.00	0	0	0	0.00
11	*Ginius Vintrade Private Limited	0	0	0.00	0	0	0	0.00
12	*Icon Vanijya Private Limited	0	0	0.00	0	0	0	0.00
13	*Advance Commotrade Private Limited	0	0	0.00	0	0	0	0.00
14	*Littlestar Tradelink Private Limited	0	0	0.00	0	0	0	0.00
15	*Prism Suppliers Private Limited	0	0	0.00	0	0	0	0.00
16	*Ratnakar Dealtrade Private Limited	0	0	0.00	0	0	0	0.00
17	*Smart Commotrade Private Limited	0	0	0.00	0	0	0	0.00
18	*Nikunj Foods Private Limited	0	0	0.00	0	0	0	0.00

Note:

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

Annexure-A to the Directors' Report

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

Sr. No.	Shareholders' Name		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Reason	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Vinay Kumari Jain					
	at the beginning of the year		1,936,890	13.83	1,936,890	13.83
	04.03.2015	Transfer	(520,000)	(3.71)	1,416,890	10.12
	at the end of the year				1,416,890	10.12
2	Rashi Jain					
	at the beginning of the year		2,171	0.02	2,171	0.02
	25.11.2014	Transfer	1,800	0.01	3,971	0.03
	08.12.2014	Transfer	4,000	0.03	7,971	0.06
	16.01.2015	Transfer	3,000	0.02	10,971	0.08
	at the end of the year				10,971	0.08
3	Sri Lehra Jewellers Private Limited					
	at the beginning of the year		0	0.00	0	0.00
	04.03.2015	Transfer	520,000	3.71	520,000	3.71
	at the end of the year				520,000	3.71

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

Sr. No.	Shareholders' Name		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Reason	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Anil Kumar Goel					
	at the beginning of the year		368,000	2.63	368,000	2.63
	14-Nov-14	Transfer	(11)	(0.00)	367,989	2.63
	31-Mar-15	Transfer	11	0.00	368,000	2.63
	at the end of the year				368,000	2.63
2	Unatgagan Commodities Pvt.Ltd.					
	at the beginning of the year				-	-
	31-Mar-15		303,500	2.17	303,500	2.17
	at the end of the year				303,500	2.17
3	Jagprem Cement Pvt. Ltd.					
	at the beginning of the year		277,938	1.99	277,938	1.99
	12-Sep-14	Transfer	(60,421)	(0.43)	217,517	1.55
	19-Sep-14	Transfer	(33,639)	(0.24)	183,878	1.31
	30-Sep-14	Transfer	(21,963)	(0.16)	161,915	1.16
	03-Oct-14	Transfer	(17,848)	(0.13)	144,067	1.03
	10-Oct-14	Transfer	(39,415)	(0.28)	104,652	0.75
	17-Oct-14	Transfer	(84,104)	(0.60)	20,548	0.15
	24-Oct-14	Transfer	(20,548)	(0.15)	-	-
	at the end of the year				-	-

Annexure-A to the Directors' Report

Sr. No.	Shareholders' Name	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
4	Tokai Kogyo Co. Ltd.					
	at the beginning of the year		225,000	1.61	225,000	1.61
	at the end of the year		-	-	225,000	1.61
5	Rajan Rakheja					
	at the beginning of the year		220,000	1.57	220,000	1.57
	at the end of the year		-	-	220,000	1.57
6	Radhe Govind Commercials Pvt. Ltd.					
	at the beginning of the year		197,683	1.41	197,683	1.41
	31-Mar-15	Transfer	(138,500)	(0.99)	59,183	0.42
	at the end of the year				59,183	0.42
7	Charbhuja Securities Pvt. Ltd.					
	at the beginning of the year		192,795	1.38	192,795	1.38
	31-Mar-15	Transfer	(165,000)	(1.18)	27,795	0.20
	at the end of the year				27,795	0.20
8	Seema Goel					
	at the beginning of the year		180,000	1.29	180,000	1.29
	at the end of the year		-	-	180,000	1.29
9	I. M. Infrastructure and Hospitality Pvt. Ltd.					
	at the beginning of the year		168,979	1.21	168,979	1.21
	25-Apr-14	Transfer	91,232	0.65	260,211	1.86
	13-Jun-14	Transfer	100,000	0.71	360,211	2.57
	25-Jul-14	Transfer	39,000	0.28	399,211	2.85
	05-Sep-14	Transfer	27,000	0.19	426,211	3.04
	12-Sep-14	Transfer	588	0.00	426,799	3.05
	13-Feb-15	Transfer	1,602	0.01	428,401	3.06
	at the end of the year				428,401	3.06
10	Vijaya Bank					
	at the beginning of the year		150,462	1.07	150,462	1.07
	31-Dec-14	Transfer	(4,518)	(0.03)	45,944	1.04
	09-Jan-15	Transfer	(5,000)	(0.04)	140,944	1.01
	16-Jan-15	Transfer	(10,201)	(0.07)	130,743	0.93
	23-Jan-15	Transfer	(5,000)	(0.04)	125,743	0.90
	at the end of the year				125,743	0.90
11	Dinesh Kumar Singhi					
	at the beginning of the year		81,433	0.58	81,433	0.58
	at the end of the year		-	-	81,433	0.58
12	Grovsnor Investment Fund Ltd.					
	at the beginning of the year		-	-	-	-
	13-Mar-15	Transfer	55,000	0.39	55,000	0.39
	20-Mar-15	Transfer	56,030	0.40	111,030	0.79
	at the end of the year				111,030	0.79

Annexure-A to the Directors' Report

Sr. No.	Shareholders' Name	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
14	STC Securities Pvt. Ltd.					
	at the beginning of the year		-	-	-	-
	30-Sep-14	Transfer	9,439	0.07	9,439	0.07
	31-Dec-14	Transfer	32,645	0.23	42,084	0.30
	31-Mar-15	Transfer	42,916	0.31	85,000	0.61
	at the end of the year				85,000	0.61

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

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

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	For each of the Directors of the Company and KMP				
	Directors				
1	Mr. Ajay Kumar Jain, Chairman & Managing Director				
	At the beginning of the year	4,097,803*	29.27	0	0
	Date wise Increase / Decrease in Shareholding during the year				
	At the end of the year	4,097,803*	29.27	0	0
2	Ms. Vinay Kumari Jain, Non-Executive Director				
	At the beginning of the year	1,936,890	13.83	0	0
	Date wise decrease in Shareholding during the year ended 04.03.2015 Transfer of shares on	(520,000)	(3.71)	1,416,890	10.12
	At the end of the year	1,416,890	10.12	0	0
3	Mr. Abhishek Jain, Whole Time Director				
	At the beginning of the year	1,002,404	7.16	-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	1,002,404	7.16	-	-
	Other KMPs				
1	Mr. Manish Dhariwal, Chief Financial Officer				
	At the beginning of the year	108	0.001	-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	108	0.001	-	-
2	Ms. Sonia Bhandari, Company Secretary				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-

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

Annexure-A to the Directors' Report

V. Indebtedness

(₹ in crores)

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (as on 01.04.2014)				
i) Principal Amount	31.51	11.20	-	42.71
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.03	-	-	0.03
Total (i + ii + iii)	31.54	11.20	-	42.74
Change in Indebtedness during the financial year				
Addition	58.71	1.03	-	59.74
Reduction	19.33	0.06	-	19.39
Net Change	39.38	0.97	-	40.35
Indebtedness at the end of the financial year				
i) Principal Amount	70.89	12.17	-	83.06
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.27	-	-	0.27
Total (i + ii + iii)	71.16	12.17	-	83.33

VI. Remuneration of Directors and Key Managerial Personnel

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

Sr. No.	Particulars of Remuneration	Name of MD / WTD/ Manager		Total Amount (in ₹)
		Mr. Ajay Kumar Jain (Chairman and Managing Director)	Mr. Abhishek Jain (Whole Time Director)	
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act	4,800,000	2,400,000	7,200,000
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	360,000	360,000
	c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - As % of Profit - Others, specify	-	-	-
5	Others, please specify Provident Fund & other Funds	-	144,000	144,000
	Performance Bonus	-	-	-
	Total (A)	4,800,000	2,904,000	7,704,000
	Ceiling as per the Act	5% of the net profits of the Company		

Annexure-A to the Directors' Report

B. Remuneration of other Directors:

I. *Independent Directors:

Particulars of Remuneration	Name of Directors			Total Amount (in ₹)
	Mr. Bhuwan Kumar Chaturvedi	Mr. Pravin Kumar Gupta	Mr. Ashok Kumar Jain	
Fee for attending Board / Committee meetings	220,000	320,000	100,000	640,000
Commission	-	-	-	-
Others	-	-	-	-
Total (I)	220,000	320,000	100,000	640,000

II. *Other Non-Executive Director:

Particulars of Remuneration	Ms. Vinay Kumari Jain	Total Amount (in ₹)
Fee for attending Board / Committee meetings	240,000	240,000
Commission	-	-
Others	-	-
Total (II)	240,000	240,000

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

C. Remuneration to Key Managerial Personnel (KMP) Other than MD / Manager / WTD:

Sr. No.	Particulars of Remuneration	Name of the KMP		Total Amount (in ₹)
		Mr. Manish Dhariwal (Chief Financial Officer)	Ms. Sonia Bhandari (Company Secretary)	
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act	1,525,700	672,920	2,198,620
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	21,600	-	21,600
	c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - As % of Profit - Others, specify	-	-	-
5	Others, please specify Provident Fund & other Funds	91,584	38,544	130,128
	Performance Bonus	-	-	-
	Total (C)	1,638,884	711,464	2,350,348

VII. Penalties / Punishment / Compounding Of Offences (Under The Companies Act): Nil

Annexure - B to the Directors' Report

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

i)	The ratio of remuneration of each Director to the median remuneration of all the employees of your Company for the financial year 2014-15	Director's Name	Ratio to mean remuneration
		Mr. Ajay Kumar Jain Chairman & Managing Director	20.90%
		Mr. Abhishek Jain Whole Time Director	12.02%
ii)	The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager if any in the financial year 2014-15 compared to 2013-14	Director's/CFO/CEO/CS/Manager	Increase (%)
		Mr. Ajay Kumar Jain Chairman & Managing Director	Not applicable
		Mr. Abhishek Jain Whole Time Director	Not applicable
		Mr. Manish Dhariwal Chief Financial Officer	11.96%
		Ms. Sonia Bhandari Company Secretary	12.35%
iii)	Percentage increase in the median remuneration of employees in the financial year 2014-15 compared to 2013-14	7.24%	
iv)	Number of permanent employees on the rolls of the Company as on 31 st March, 2015	911	
v)	Explanation on the relationship between average increase in remuneration and the company performance	<p>The increase in average remuneration of all employees in the financial year 2014-15 was 7.24%.</p> <p>The Company's overall turnover increased by 29.07% and net profit increased by 120.14%.</p> <p>The reward philosophy of the Company is to provide market competitive total reward opportunity that has a linkage and drives performance culture. Every year, the salary increases for the Company are decided on the basis of a benchmarking exercise that is undertaken with similar profile organizations. The final salary increases given are a function of Company's market competitiveness in this comparator group as well as overall business affordability. Salary increases during the year were in line with Company's performance and its market competitiveness.</p>	
vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of your Company	Not applicable	

Annexure-B to the Directors' Report

vii)	Variation in	Details	31.03.2015	31.03.2014
		Market Capitalization (₹ in crores)	126.14	62.86
		Price Earnings Ratio	14.63	8.09
		Percentage Increase / decrease of market quotations	100.67%	
		Net worth of the Company (₹ in crores)	₹ 198.52	₹ 188.90
		Market Price as on 31 st March, 2015	₹ 90.10	
		Price at the time of initial public offer in January 2008	₹ 150	
		% change of Market price over the price at the time of initial public offer	(39.93%)	
	Average percentile increase in salaries of Employees other than managerial personnel in the financial year 2014-15	11%		
		Justification for increase with reasons for any exceptional circumstances	Normal industry standards applied based on increase in turnover	
ix)	Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company	Factors including individual's performance, Company's performance, competitive compensation market scenario and inflation rate are considered while recommending increase in the fixed remuneration of employees. The average increase in remuneration of Key Management Personnel in financial year 2014-15 was 12%. There was no increase in the remuneration of the Chairman & Managing Director and Whole Time Director of the Company during the financial year 2014-15. The turnover of the Company increased by 29.07% and the profit after tax increased by 120.14% during the financial year 2014-15.		
x)	Key parameter for any variable component of remuneration availed by the Directors	No		
xi)	Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess the highest paid director during the year	Nil		
xii)	The Board of Directors of the Company affirms that the remuneration is as per the remuneration policy of the Company.	Yes		

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

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

Annexure - C to the Directors' Report

Corporate Governance Report

PPAP Automotive Limited's (hereinafter to as 'PPAP' or the 'Company') philosophy on Corporate Governance is embedded in its rich legacy of ethical governance practices. Integrity, transparency, accountability and compliance with laws which are the pillars of good governance are cemented in the Company's robust business practices.

The Company continues to deliver superior to its various stakeholders. The practice of responsible governance has enabled the Company to achieve sustainable growth while meeting the expectations of all stakeholders and the society at large.

PPAP's Governance structure broadly comprises the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. This layered structure brings about a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction to the Management to achieve the corporate objectives.

1. Board of Directors

i) Composition of Board

PPAP Board plays a pivotal role in ensuring that the Company runs on sound and ethical business practices and that its resources are utilized for creating sustainable growth and societal wealth. The Company has a well-balanced Board of Directors with members from diverse backgrounds.

As on March 31, 2015, the Company's Board comprised of six Directors. Two Directors, including the Chairman, are Executive Directors, one is Non-Executive Director and three are Non-Executive Independent Directors.

The details of nature and number of Directorships and Committee chairmanships / memberships held by them in other public companies are detailed below:

Name of Director	Nature of Directorship	As on 31 st March, 2015		
		Directorship in other Companies (*)	Membership and Chairmanship of the Committees of the Board of other companies (**)	
			Chairman	Member
Mr. Ajay Kumar Jain	Chairman & Managing Director (Executive Director)	Nil	Nil	Nil
Mr. Bhuwan Kumar Chaturvedi	Non-Executive / Independent Director	1	1	Nil
Mr. Ashok Kumar Jain ¹	Non- Executive / Independent Director	Nil	Nil	Nil
Mr. Pravin Kumar Gupta	Non- Executive / Independent Director	Nil	Nil	Nil
Ms. Vinay Kumari Jain	Non-Executive Director	Nil	Nil	Nil
Mr. Abhishek Jain	Whole Time Director (Executive Director)	Nil	Nil	Nil

¹Appointed w.e.f. 27th May, 2014

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

** For the purpose of considering the limit of committee memberships and chairmanships of a Director, Audit Committee and Stakeholders' Relationship Committee of public limited companies have been considered.

Annexure-C to the Directors' Report

ii) Board Procedures

The Board meets at regular intervals. The Board Meetings are governed by a structured agenda. The agenda along with detailed explanatory notes and supporting material are circulated in advance before each meeting to all the Directors for facilitating effective discussion and decision making. All divisions / departments in the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussion / approval / decision in the Board / Committee meetings. In case of urgencies, resolutions are considered through circulation.

iii) Independent Directors

The Company had at its last Annual General Meeting (AGM) held on 27th September, 2014, appointed Mr. Bhuwan Kumar Chaturvedi (DIN: 00144487), Mr. Ashok Kumar Jain (DIN: 06881412) and Mr. Pravin Kumar Gupta (DIN: 06491563), as Independent Directors pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules issued thereunder and Clause 49 of the Listing Agreement for the period of five (5) consecutive years. The Company had also issued formal appointment letters to all the Independent Directors in the manner provided under the Companies Act, 2013 and Clause 49 of the Listing Agreement.

A sample of the letter of appointment is available on the website of the Company and can be accessed through the following link:

<http://ppapco.in/Template-of-Letters-of-Appointment-to-Independent-Directors.pdf>

iv) Number of Board Meetings

During the year ended 31st March, 2015, four (4) meetings of the Board of Directors were held. The maximum time gap between two (2) meetings did not exceed one hundred and twenty days.

The dates of the Board Meetings are as under:

Sr. No.	Date(s) on which meeting(s) were held
1	27 th May, 2014
2	14 th August, 2014
3	13 th November, 2014
4	11 th February, 2015

Details of their attendance at Board Meetings and at the Annual General Meeting ("AGM") held during the year are as follows:

Name of Director	Number of Board Meetings held during the tenure and attended		Attendance at last AGM
	Held	Attended	
Mr. Ajay Kumar Jain	4	4	Yes
Mr. Bhuwan Kumar Chaturvedi	4	4	No
Mr. Ashok Kumar Jain ²	3	3	Yes
Mr. Pravin Kumar Gupta	4	4	Yes
Ms. Vinay Kumari Jain	4	4	No
Mr. Abhishek Jain	4	4	Yes

²Appointed w.e.f. 27th May, 2014

v) Independent Directors' Meeting

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a meeting of the Independent Directors of the Company was held on 11th February, 2015, without the attendance of Non-Independent Directors and members of the management.

Annexure-C to the Directors' Report

vi) Committees of the Board

The terms of reference of the Committees of the Company are approved by the Board and are in line with the requirements of Companies Act, 2013 and Clause 49 of the Listing Agreement. The minutes of Committee meetings are tabled at the Board Meetings. The minutes of the proceedings of the Committee Meetings are captured in the same manner as the Board Meetings and in accordance with the provisions of the Companies Act, 2013. Currently, there are four (4) Committees of the Board, viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee.

A. Audit Committee

The primary objective of the Audit Committee of the Company is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures, transparency, integrity and quality of financial reporting.

The Committee deals with the various aspects of financial statements, adequacy of internal controls, various audit reports, compliance with accounting standards.

The composition of the Audit Committee is in line with provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. All the members of the Audit Committee are financially literate and Chairman of the Audit Committee is a financial expert.

Ms. Sonia Bhandari, Company Secretary, acts as the Secretary to the Committee.

During the year, 4 (four) meetings of the Audit Committee were held on 27th May, 2014, 14th August, 2014, 13th November, 2014 and 11th February, 2015.

The composition of the Audit Committee along with the details of the meetings held and attended during the financial year ended 31st March, 2015 are detailed below:

Name of the Director	Category	Position held	Number of meetings held during the tenure	No. of meetings Attended
Mr. Bhuwan Kumar Chaturvedi	Non-Executive / Independent	Chairman	4	4
Mr. Pravin Kumar Gupta	Non-Executive / Independent	Member	4	4
Mr. Ajay Kumar Jain	Executive	Member	4	4

Brief terms of reference of Audit Committee:

Financials

1. Oversight of the Company's financial reporting process and financial information submitted to the Stock Exchanges, regulatory authorities or the public;
2. Reviewing with the Management the quarterly unaudited financial statements and the Auditors' Limited Review Report thereon / audited annual financial statements and Auditors' Report thereon before submission to the Board for approval. This would, *inter alia*, include reviewing changes in the accounting policies and reasons for the same, major accounting estimates based on exercise of judgement by the management, significant adjustments made in the financial statements, compliance with listing and other legal requirements relating to financial statements and / or recommendation, if any, made by the statutory auditors in this regard;
3. Review the Management Discussion & Analysis of financial and operational performance; and
4. Review the investments made by the Company.

Internal controls and risk management

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

Annexure-C to the Directors' Report

Audit

1. Review the scope of the statutory auditors, the annual audit plan and the internal audit plan with a view to ensure adequate coverage;
2. Review the significant audit findings from the statutory and internal audits carried out, the recommendations and management's response thereto;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. To discuss with the statutory auditors / internal auditors any significant difficulties encountered during the course of the audit;
5. To review annual Cost Audit Report submitted by the cost auditors;
6. Review and recommend to the Board the appointment / re-appointment of the statutory auditors and cost auditors considering their independence and effectiveness and their replacement and removal; and
7. To recommend the appointment, removal and terms of remuneration of the internal auditors.

Compliance

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

B. Nomination and Remuneration Committee

In compliance with Section 178 of the Companies Act, 2013, the Board has renamed the existing "Remuneration Committee" as the "Nomination and Remuneration Committee".

The composition of the Nomination and Remuneration Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

During the year, 2 (two) meetings of the Nomination and Remuneration Committee were held on 14th August, 2014 and 11th February, 2015.

Ms. Sonia Bhandari, Company Secretary, acts as the Secretary to the Committee.

The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year ended 31st March, 2015 are detailed below:

Name of the Director	Category	Position held	Number of meetings held during the tenure	No. of meetings Attended
Mr. Pravin Kumar Gupta	Non-Executive / Independent	Chairman	2	2
Mr. Bhuwan Kumar Chaturvedi	Non-Executive / Independent	Member	2	2
Ms. Vinay Kumari Jain	Non-Executive	Member	2	2

Annexure-C to the Directors' Report

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; and
5. To recommend / review remuneration of Managing Director / Whole Time Director.

Remuneration to the Directors

The Executive Directors are paid remuneration as per the terms approved by the Nomination and Remuneration Committee, the Board of Directors of the Company and the shareholders of the Company and subject to such other statutory approvals as may be necessary. The remuneration of the Executive Directors comprises of salary, perquisites and allowances, contributions to Provident Fund and Superannuation and Gratuity. The Non-Executives Directors are paid by way of sitting fees.

Details of remuneration and sitting fee paid to the Directors of the Company during the financial year ended 31st March, 2015 are as follows:

Name of Director	Sitting Fees	Salary and perquisite (in ₹)	Bonus (in ₹)	Total (in ₹)	No. of Equity shares held	Relationship with other Directors
Mr. Ajay Kumar Jain	-	4,791,600	8,400	4,800,000	4,007,680 90,123 ³	Husband of Ms. Vinay Kumari Jain and Father of Mr. Abhishek Jain
Mr. Bhuwan Kumar Chaturvedi	220,000	-	-	220,000	-	***
Mr. Pravin Kumar Gupta	320,000	-	-	320,000	-	***
Mr. Ashok Kumar Jain	100,000	-	-	100,000	-	***
Ms. Vinay Kumari Jain	240,000	-	-	240,000	1,416,890	Wife of Mr. Ajay Kumar Jain and Mother of Mr. Abhishek Jain
Mr. Abhishek Jain	-	2,895,600	8,400	2,904,000	1,002,404	Son of Mr. Ajay Kumar Jain and Ms. Vinay Kumari Jain

³ holding in the name of M/s. Ajay Kumar Jain HUF as Karta

***No inter-se relationship with any of the Directors of the Company

C. Stakeholders' Relationship Committee

In compliance with Section 178 of the Companies Act, 2013, the Board has renamed the existing "Investors' Grievance Committee" as the "Stakeholders' Relationship Committee". The Committee considers and resolves the grievances of the shareholders.

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

During the year, 5 (five) meetings of the Stakeholders' Relationship Committee were held on 26th May, 2014, 14th August, 2014, 13th November, 2014, 13th December, 2014 and 11th February, 2015.

Annexure-C to the Directors' Report

Ms. Sonia Bhandari, Company Secretary, acts as the Secretary to the Committee.

The composition of the Stakeholders' Relationship Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year ended 31st March, 2015 is detailed below:

Name of the Director	Category	Position held	Number of meetings held during the tenure	No. of meetings Attended
Mr. Pravin Kumar Gupta	Non-Executive / Independent	Chairman	5	5
Ms. Vinay Kumari Jain	Non-Executive	Member	5	5
Mr. Abhishek Jain	Executive	Member	5	5

D. Corporate Social Responsibility Committee

The composition of the Corporate Social Responsibility Committee (CSR Committee) is in line with provisions of Section 135 of the Companies Act, 2013.

During the year, 1 (one) meeting of the CSR Committee was held on 13th November, 2014.

Ms. Sonia Bhandari, Company Secretary, acts as the Convenor to the Committee.

The constitution of the CSR Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year ended 31st March, 2015 is detailed below:

Name of the Director	Category	Position held	Number of meetings held during the tenure	No. of meetings Attended
Mr. Ashok Kumar Jain	Non-Executive / Independent	Chairman	1	1
Ms. Vinay Kumari Jain	Non-Executive	Member	1	1
Mr. Abhishek Jain	Executive	Member	1	1

The terms of reference of the Committee are as follows:

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

The Board of Directors of the Company at their meeting held on 13th November, 2014, approved the CSR Policy of the Company on the recommendations of the CSR Committee. The details of the CSR initiatives taken by the Company forms part of the CSR Section in the Report. The CSR Policy has been placed on the website of the Company and can be accessed through the following link:

<http://ppapco.in/pdf/Corporate-Social-Responsibility-Policy.pdf>

vii) Appointment or Re-appointment of Directors

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

According to Section 152(6)(a) of the Companies Act, 2013, 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

Annexure-C to the Directors' Report

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 26th May, 2015 resolved to change the status of Mr. Ajay Kumar Jain, Chairman and Managing Director of the Company, as Director not liable to retire by rotation.

The Board recommends the resolutions relating to the re-appointment of Mr. Ajay Kumar Jain, Chairman and Managing Director with effect from 1st November, 2015 and Mr. Abhishek Jain, Whole Time Director (who is liable to retire by rotation), with effect from 3rd June, 2015 for the tenure of three years.

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

Mr. Ajay Kumar Jain (DIN: 00148839)

Mr. Ajay Kumar Jain is a Commerce Graduate from the prestigious Shriram College of Commerce, Delhi. He has been associated with the industry for more than four decades. His business career has been continuously evolving with constant forays into new ventures, utilizing latest technology and superior manufacturing techniques. He ventured into the Automotive components business 25 years ago. Throughout his career, he has maintained a leadership position in his field of businesses and has constantly led the Company to achieve many accolades from all the customers.

He has served as the President of Honda Cars India Suppliers Club in the year 2011-12. He has served as the Vice President of Toyota Kirloskar Suppliers' Association from 2006 - 2015. Currently, he is the President of Toyota Kirloskar Suppliers' Association.

Directorship in other companies:

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

#Committee Positions:

- PPAP Automotive Limited - Member of Audit Committee

Mr. Abhishek Jain (DIN: 00137651)

Mr. Abhishek Jain is the Whole Time Director on the Board of PPAP. He holds a degree of Bachelor of Science in Industrial Engineering from Purdue University, USA.

After gaining work experience in USA, he joined the company in 2003. Since then, he has been managing all the operations of the Company. He has been an active executive of the Toyota Kirloskar Suppliers' Association for over 7 years. Currently, he is a member of the executive committee of the Honda Cars India Suppliers Club.

Directorship in other companies:

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

#Committee Position:

- PPAP Automotive Limited - Member of Stakeholders' Relationship Committee

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

Annexure-C to the Directors' Report

4. 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
2013-14	The Executive Club, Dolly Farms & Resorts Pvt. Ltd. 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi -110074	Saturday, 27 th September, 2014 at 10:30 A.M.	3
2012-13	The Executive Club, Dolly Farms & Resorts Pvt. Ltd. 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi -110074	Friday, 9 th August, 2013 at 11:00 A.M.	2
2011-12	The Executive Club, Dolly Farms & Resorts Pvt. Ltd. 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi -110074	Saturday, 29 th September, 2012 at 5:00 P.M.	-

b Postal Ballot

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 Notice containing proposed resolution and explanatory statement thereto was 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 thereafter Scrutinizer submitted his report to the Company for declaration of result. The details of the same are as under:

Date of Completion of Postal Ballot	Name of the Scrutinizer	Brief of Resolution(s)	Percentage of votes cast in favour of resolution
31 st March, 2014 (results declared 3 rd April, 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%

5. Disclosures

- There was no materially significant Related Party Transactions during the year having conflict with the interest of the Company. The transactions with the related parties are disclosed in accordance with AS-18 in 31B to the Notes to Accounts in Balance Sheet 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, Securities Exchange and Board of India (SEBI) or any other statutory authority, on any matter relating to Capital Market during last three years.
- Management Discussion and Analysis Report is provided as a part of the Directors' Report published elsewhere in this Report.
- Pursuant to 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. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and in physical form with the total issued / paid-up capital of the Company and submitted the same to the Stock Exchanges where the securities of the Company are listed, within 30 days 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 / Annual financial results on its website www.ppapco.in. The results are

Annexure-C to the Directors' Report

also reported to the Stock Exchanges and are published in the newspapers as mentioned under the heading "Means of Communication" in this Report.

- The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated under Clause 49 of the Listing Agreement.
- 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.

6. CEO / CFO Certification

In terms of 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 31st March, 2015 is annexed and form part of this Report.

7. Familiarization Program for Independent Directors

The Company has put in place a structured induction and familiarisation programme for all its Directors including the Independent Directors. The Company familiarizes new appointee on the Board, with a brief background of the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model, operations of the Company, etc.

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

The familiarization programme for Independent Directors in terms of provisions of Clause 49 of the Listing Agreement is uploaded on the website of the Company and can be accessed through the following link:

<http://ppapco.in/pdf/Familiarization-program-for-Independent-Directors.pdf>

8. Code of Conduct

In compliance with Clause 49 of the Listing Agreement and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct and Ethics ('the Code'). The Code is applicable to all the Board Members and all the employees of the Company.

The Code of conduct has been placed on the website of the Company and can be accessed through the following link:

<http://ppapco.in/Code-of-Conduct.pdf>

All the Board Members and Senior Management Personnel have affirmed compliance to the Code as on 31st March, 2015.

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

9. Whistle Blower Policy

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

In accordance with Clause 49 of the Listing Agreement, The Company has adopted a Whistle Blower Policy with an objective to provide its employees a mechanism whereby concerns can be raised in line with the Company's commitment to highest standards of ethical, moral and legal business conduct and its commitment to open communication.

The Whistle Blower Policy as approved by the Board is uploaded on the Company's website and can be accessed through the following link:

<http://ppapco.in/pdf/Whistle-Blower-Policy.pdf>

Annexure-C to the Directors' Report

10. Code of Conduct for Prevention of Insider Trading

The Company has adopted a Code of Conduct as per SEBI (Prohibition of Insider Trading) Regulations, 1992. All Directors, Designated Employees, who could have access to the Unpublished Price Sensitive Information of the Company, are governed by the Code. During the year under review, there has been due compliance with SEBI (Prohibition of Insider Trading) Regulations, 1992.

The Board at its aforesaid meeting held on 26th May, 2015 approved the 'PPAP Automotive Limited - Code for Fair Disclosure' and the same can be accessed through the following link:

<http://ppapco.in/Code-of-Practices-and-Procedures-for-Fair-Disclosure-of-Unpublished-Price-Sensitive-Information.pdf>

11. Details of unclaimed securities suspense account

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

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares lying in the suspense account as on 1 st April, 2014	32	1867
Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year	-	-
Number of shareholders and aggregate number of shares transferred to the suspense account during the year	-	-
Aggregate number of shareholders and outstanding shares in the suspense account lying as on 31 st March, 2015	32	1867

The voting rights on the shares in the suspense account as on 31st March, 2015 shall remain frozen till the rightful owners of such shares claim them.

12. Means of Communication

Quarterly and Annual Financial Results of the Company are generally published in Business Standard in English and in Hindi (vernacular) language.

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

The Company makes timely disclosures of necessary information to Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) in terms of the Listing Agreement(s) and other rules and regulations issued by SEBI.

13. Shareholders' Information

i) Annual General Meeting

Day	: Saturday
Date	: 26 th September, 2015
Time	: 11.00 a.m.
Venue	: The Executive Club, Dolly Frams & Resorts Pvt. Ltd. 439, Village Shahoorpur, P.O. Fatehpur Beri, New Delhi-110074

ii) Financial year : 1st April to 31st March

iii) Quarterly Unaudited Results

Quarter ending 30 th June, 2015	: On or before 14 th August, 2015
Quarter ending 30 th September, 2015	: On or before 14 th November, 2015
Quarter ending 31 st December, 2015	: On or before 14 th February, 2016

Annexure-C to the Directors' Report

iv) Annual Audited Results

Year ending 31st March, 2016 : On or before 30th May, 2016

v) Date of Book closure

22nd September to 25th September (both days inclusive)

vi) Dividend Payment Date

: Commencing on 1st October, 2015
(subject to the approval of shareholders)

For dividend 2014-15 recommended by the Board of Directors at its meeting held on 26th May, 2015

vii) Listing on Stock Exchanges

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

Bombay Stock Exchange Limited (BSE) : 532934

National Stock Exchange of India Limited (NSE) : PPAP

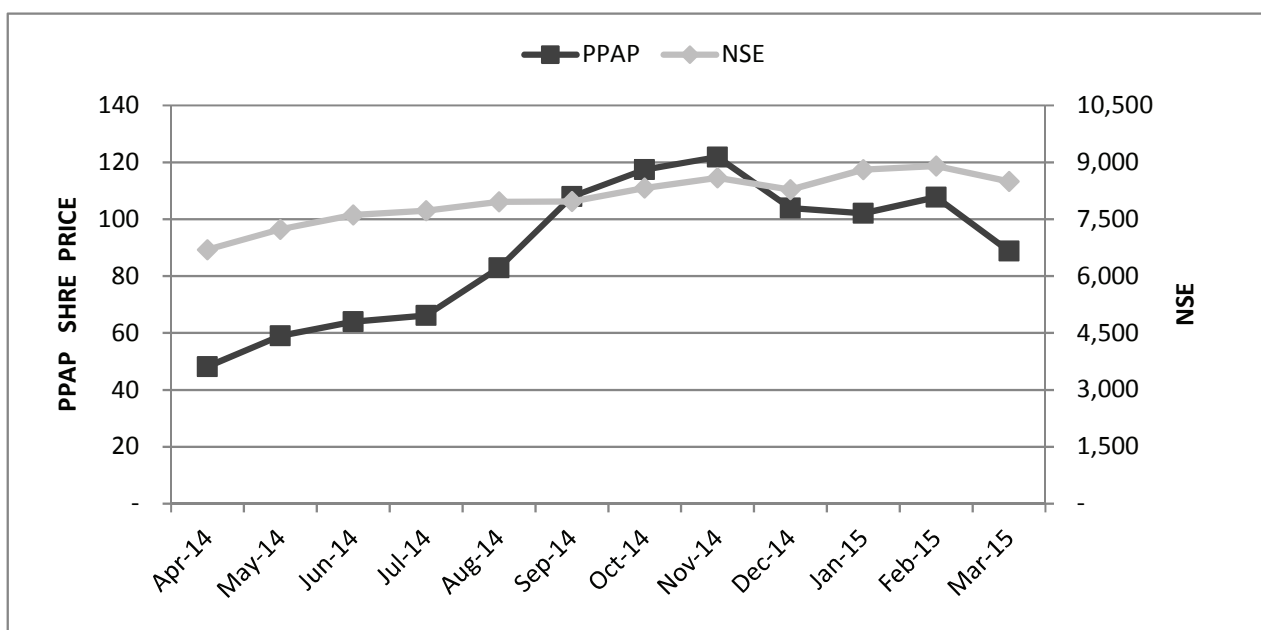
ISIN No. : INE095I01015

viii) Market Price Data

Market Price of shares on NSE during the last financial year 2014-15 is given as follows:-

Month	Nifty Close	NSE (in ₹ per share)		
		High	Low	Close
April 2014	6696.40	59.00	43.30	48.20
May 2014	7229.95	61.00	45.75	59.00
June 2014	7611.35	68.00	56.15	64.00
July 2014	7721.30	77.90	60.00	66.15
August 2014	7954.35	85.00	62.15	82.95
September 2014	7964.80	117.95	78.00	107.95
October 2014	8322.20	127.60	106.80	117.40
November 2014	8588.25	135.00	107.75	121.85
December 2014	8282.70	125.00	102.05	103.95
January 2015	8808.90	124.00	101.80	102.10
February 2015	8901.85	112.00	82.05	107.75
March 2015	8491.00	121.00	87.00	88.75

source: www.nseindia.com

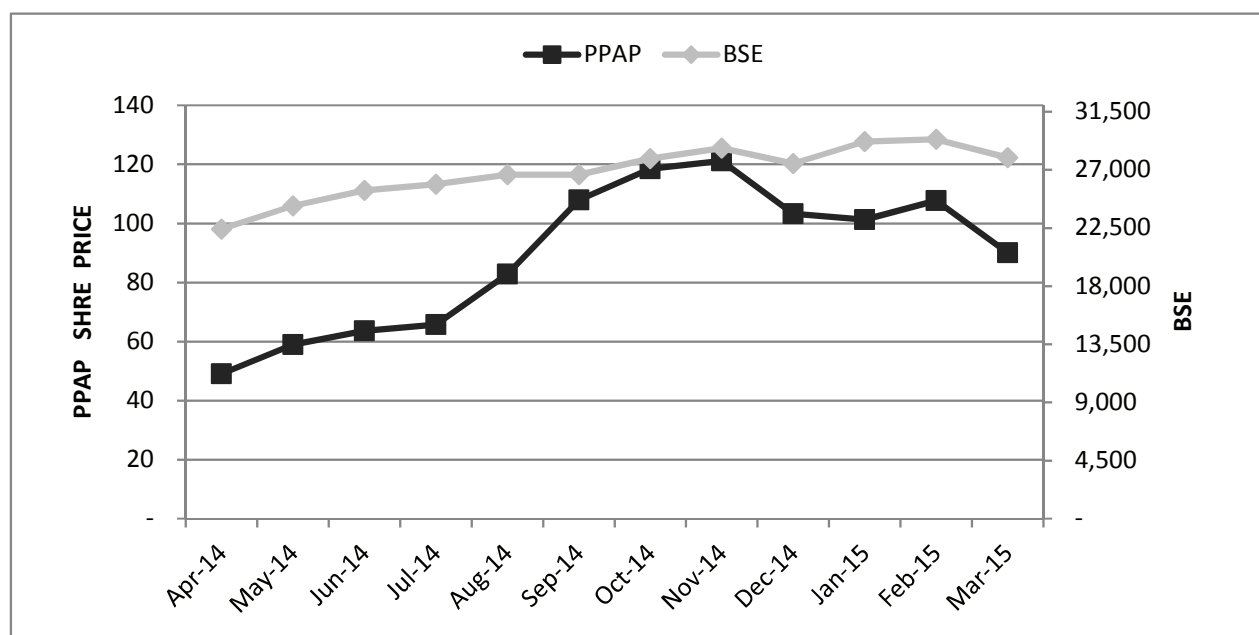


Annexure-C to the Directors' Report

Market Price of shares on BSE during the last financial year 2014-15 is given as follows:-

Month	Sensex close	BSE (in ₹ per share)		
		High	Low	Close
April 2014	22417.80	58.90	43.35	49.05
May 2014	24217.34	65.00	45.55	58.95
June 2014	25413.78	67.55	57.00	63.60
July 2014	25894.97	82.90	61.05	65.75
August 2014	26638.11	86.50	63.00	82.80
September 2014	26630.51	118.00	79.00	108.00
October 2014	27865.83	126.20	105.15	118.50
November 2014	28693.99	135.10	107.80	121.15
December 2014	27499.42	128.85	101.40	103.25
January 2015	29182.95	130.00	101.00	101.30
February 2015	29361.50	109.85	92.00	107.75
March 2015	27957.49	125.50	88.00	90.10

source: www.bseindia.com



ix) Compliance Officer

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

x) Address of Registrar and Transfer Agent : M/s. Link Intime India Private Limited
 44, Community Centre,
 2nd Floor, Naraina Industrial Area
 Phase-I, New Delhi-110028
 Email: delhi@linkintime.co.in
 Website: www.linkintime.co.in
 Ph No. +91-11-41410592 / 93 / 94

Annexure-C to the Directors' Report

xi) 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 the Stakeholders' Relationship Committee. The meetings of the Committee are periodically held to consider the requests of the shareholders.

xii) Distribution of Shareholding

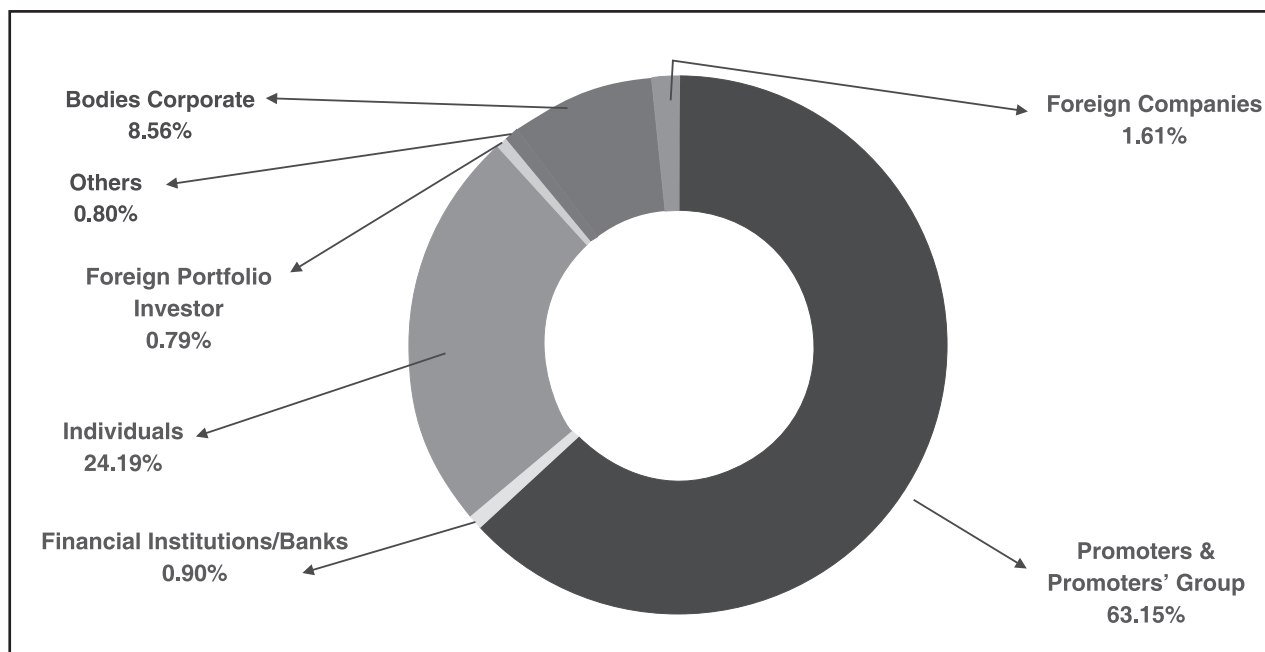
Details of category wise shareholding as on 31st March, 2015:

Categories	No. of shareholders	Percentage (%)	No. of Shares held	Percentage (%)
1-500	17,348	96.47	1,134,166	8.10
501-1000	262	1.46	209,536	1.50
1001-2000	167	0.93	247,221	1.77
2001-3000	53	0.29	137,592	0.98
3001-4000	37	0.21	131,944	0.94
4001-5000	23	0.13	106,542	0.76
5001-10000	41	0.23	290,960	2.08
10001-above	52	0.28	11,742,039	83.87
Total	17,983	100.00	14,000,000	100.00

xiii) Details of Shareholding Pattern as on 31st March 2015:

Sr. No.	Category	Total number of shares	% of total number of shares
A.	Promoters & Promoters' Group		
a.	Individual / Hindu Undivided Family	6,528,068	46.63
b.	Bodies Corporate	2,313,093	16.52
Total Shareholding of Promoters & Promoters' Group (A)		8,841,161	63.15
B.	Public Shareholding		
a.	Financial Institutions / Banks	125,743	0.90
b.	Bodies Corporate	1,199,076	8.56
c.	Individuals	3,385,931	24.19
d.	Foreign Companies	225,000	1.61
e.	Foreign Portfolio Investor (Corporate)	111,030	0.79
f.	Non Resident Indians	69,423	0.50
g.	Others	42,636	0.30
Total Public Shareholding (B)		5,158,839	36.85
Total (A + B)		14,000,000	100.00

Annexure-C to the Directors' Report



xiv) 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 31st March, 2015:

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

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

No outstanding GDR / ADR / Warrants or any convertible instrument as on 31st March, 2015

xvi) Plant Locations:

New Delhi

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

Greater Noida - Plant III

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

Noida - Plant I

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

Pathredi - Plant - IV

SP3-802, Pathredi Industrial Area,
Bhiwadi, District Alwar-301019,
Rajasthan

Noida - Plant II

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

Polivakkam - Plant V

104 Sriperumbudur,
Thiruvallur High Road,
Polivakkam Village,
Thiruvallur District-602002, Tamil Nadu

xvii) Registered Office

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

Address for Correspondence / Corporate Office

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



CERTIFICATION ON FINANCIAL STATEMENTS OF THE COMPANY

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

(Formerly Precision Pipes and Profiles Company Limited)

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

1. We have reviewed the financial statements and the cash flow statement of the Company for the year ended 31st March, 2015 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; and
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to the financial reporting and we have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
4. We have indicated, wherever applicable, to the Auditors and to the Audit Committee:
 - i) Significant changes in internal control over financial reporting during the year;
 - ii) Significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Ajay Kumar Jain
Chairman & Managing Director

Manish Dhariwal
Chief Financial Officer

Date: 26th May, 2015

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

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.

Date: 26th May, 2015

Ajay Kumar Jain
Chairman & Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
PPAP Automotive Limited

We have reviewed the implementation of Corporate Governance procedure by PPAP Automotive Limited (formerly Precision Pipes and Profiles Company Limited) (the "Company") for the year ended 31st March, 2015, 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 provisions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2015, no grievances are pending against the Company as per records maintained by the Company.

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

For VLA & Associates
Company Secretaries

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

Place : New Delhi
Date : 26th May, 2015

Annexure - D to the Directors' Report

Management Discussions And Analysis Report

Economy Overview

In the wake of a new Central Government, higher spending on gross capital formation, falling inflation, lowering interest rates and crude oil price compared to the previous fiscal year, some sectors of the economy have started showing signs of revival and higher growth. Both fiscal and current account deficits remained relatively stable, which contributed to growth. As adjusted for a methodological revision in India's GDP calculation, GDP for fiscal 2014 increased by 6.9% (compared to a previous estimate of 4.7%) and GDP for fiscal 2015 increased by 7.3% (compared to a previous estimate of 5.5%).

Industry Review

The Indian automobile industry is finally seeing an uptick in sales. Fiscal 2015 numbers reveal all vehicle categories other than commercial vehicles are in positive territory and passenger car sales have returned to the black after three years. Riding on the back of a gradual uplift in market sentiments, excise duty cuts and the opening up of the mining and infrastructure sectors, the Indian automotive industry posted an overall growth of 8.68% in fiscal 2015, marking an improved performance over the fiscal 2014.

The industry produced a total of 23 million vehicles including passenger vehicles, commercial vehicles, three wheelers and two wheelers in fiscal 2015 as against 21 million in fiscal 2014, registering a growth of 8.68% over the same period last year. The sales of passenger vehicles grew by 3.90% in fiscal 2015 compared to the previous year. Within the passenger vehicles segment, passenger cars and utility vehicles grew by 4.99% and 5.30% respectively. [Source: Society of Indian Automobile Manufacturers ("SIAM")].

With the Government's 'Make in India' initiative boosting manufacturing and moderate growth in GDP, spurring industry, commodity prices under control and growth in industrial activity visible, all being indicators of a positive outlook, the Indian auto sector is set for a better ride this fiscal.

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 (Black type / Bright type), Inner Belt Moulding, Windshield Moulding, Roof Moulding, Quarter Window Moulding, Air spoiler, A-Pillar Garnish, B-Pillar Garnish, Body Side Protector and Skirt Air Damper etc. The Company introduced new technologies viz. Bright Stainless Steel type Outer Belt Moulding and Slide Rail Component 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. During the year under review, the Company successfully commenced commercial production at the new plant established in Pathredi region in Rajasthan.

PPAP is a key 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 OEMs. The Company also caters the requirements of their respective Tier 1 suppliers.

The Company has technical collaboration with Tokai Kogyo Co. Limited, 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. Limited, Japan for manufacturing EPDM Rubber based Sealing System with products like Opening Trims, Hood Seals, Door Weatherstrip and TPV Glass Run Channels.

Annexure-D to the Directors' Report

Future Outlook

With economic recovery expected in 2015, demand for automobiles across the various categories is likely to receive required impetus. While sales growth in commercial vehicles and passenger vehicles are expected to enter the positive trajectory, growth would accelerate in the two-wheeler and three-wheeler segments, driven by expected moderation in interest rate, fall in ownership cost and improvement in economic activity and consumer sentiments.

The Indian component industry has an opportunity for significant growth in this decade as the projected high vehicle production levels, across segments, will generate growth in demand for components. The passenger vehicle production is estimated to grow at 14% till 2020. This growth largely be driven by the small car segment as India is expected to become a global hub for producing small cars.

Awards & Recognition

PPAP is a key supplier to major automotive manufacturers in India. The Company continued its track record of superior performance with its customers. The efforts were recognized by its esteemed customers. The Company received the following awards from its customers:

- "Certificate of appreciation for Superior Performance in the field of special support" by India's largest car manufacturer Maruti Suzuki India Limited.
- "Silver award for Delivery" by Honda Cars India Limited.
- Certificate in appreciation of "Best Eco Kaizen" and "Our commitment to work together in preserving our environment" by Toyota Kirloskar Motor Private Limited.

Opportunities and Threats

Opportunities

Over the next decade the global demand for vehicles and components will be driven by the emerging markets accounting for over 50% of global light vehicle production. Key markets driving this growth would include the BRIC countries Brazil, Russia, India and China along with other emerging markets such as Thailand and Mexico. Lack of strong demand and underutilization of capacities in the mature Triad markets will result in continual pricing pressures for the OEMs and the component manufactures.

India is expected to witness strong growth in vehicle production till 2020 across all segments. The domestic automotive industry has been growing at impressive rates and is expected to witness strong growth in vehicle production till 2020 across all segments. Achievement of these production volumes will position India as one of the top 5 vehicle producing countries in the world.

The vision of AMP 2006-2016 sees 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."

The Indian passenger vehicle market is expected to produce four million vehicles annually by the year 2020.

Threats

Domestic Indian companies have developed strong manufacturing capabilities that have helped them in keeping costs low and quality under control. As volumes increase, Indian component manufactures will have to scale up their operations and further improve quality, cost and delivery performance to global standards demanded by customers. Till now, Indian entrepreneurs have successfully managed the evolution of the Indian component industry. Larger scale will require major changes in organizational structure and levels of decentralization. Robust internal controls and scalable business processes need to be put in place. These new capabilities should be implemented such that the organization retains its entrepreneurial culture while being able to manage large scale operations. Many organizations need new talent to set up professional management teams.

Annexure-D to the Directors' Report

A number of areas would need to be addressed, some immediately by the Indian Components players as they need to:

- Raise capital - balance sheets have to be strengthened and investment strategies need to be defined;
- Scale capacities - manage cost and flexibility of new assets;
- Build Research & Development competence, build / enhance product development, design and engineering capabilities, incorporating frugal engineering elements;
- Develop organizations to manage sufficiently increased complexity and risk; and
- Attract talent - both management and skilled labour.

On this part the Indian government needs to provide long-term stable policies to create a conducive ecosystem in which the large numbers of small and medium companies that make up this industry are able to scale up at the rapid pace. Additionally the government needs to continue its efforts to improve the infrastructure.

Outlook

The Government of India encourages foreign investment in the automobile sector and allows 100% FDI under the automatic route. Excise duty on small cars, scooters, motorcycles and commercial vehicles was reduced in February last year to 8% from 12% to boost the 'Make in India' initiative of the Indian Government.

Some of the major initiatives taken by the Government of India are:

- The Government plans to promote eco-friendly cars in the country i.e. CNG based vehicle, hybrid vehicle and electric vehicle and also made mandatory of 5% ethanol blending in petrol.
- The Government has formulated a scheme for Faster Adoption and Manufacturing of Electric and Hybrid Vehicles in India, under the National Electric Mobility Mission 2020 to encourage the progressive induction of reliable, affordable and efficient electric and hybrid vehicles in the country.
- The Automobile Mission Plan for the period 2006-2016, designed by the Government is aimed at accelerating and sustaining growth in this sector. Also, the well-established regulatory framework under the Ministry of Shipping, Road Transport and Highways, plays a part in providing a boost to this sector.

Risk 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.

Safety standards norm continue to put pressure on improving the technology level requiring enhanced investment with attendant increase in product cost. The Company is also exposed to various internal and external risk like financial risk, operational risk, technological risk, marketing risk, quality risk, economic risk, forex risk etc. The Company is also continually developing and launching new and improved products to stay ahead of competition.

The Board has established a Risk Management Policy which formalizes to ensure that risks are identified, analyzed and managed effectively. This Policy facilitates management of risks associated with the Company's activities and minimizes the impact due to undesired and unexpected events. At the same time, it ensures that the cost of managing risks, balances with the anticipated benefits.

All the Functional Heads under the guidance of the Executive Directors to oversee the Risk Management process including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting and are accountable for strategic risk management within the areas under their control including the devolution of the risk management process to the operational managers.

Growth

The domestic automotive industry has been growing at impressive rates and is expected to witness strong growth in vehicle production till 2020 across all segments. Achievement of these production volumes will position India as one of the top 5 vehicles producing countries in the world.

The Indian Component industry has an opportunity for significant growth in this decade as the projected high vehicle production levels, across segments, will generate growth in demand for components. The passenger vehicle production is estimated to grow at 14% CAGR till 2020. This growth would largely be driven by the small car segment as India is expected to become a global hub for producing small cars.

Annexure-D to the Directors' Report

Financial Performance

i. Total Revenue

The Company's total revenue has increased from ₹ 255.11 crores in fiscal 2014 to ₹ 322.64 crores in fiscal 2015 registering a growth of 26%, outpacing the Industry growth of 3.9% (Passenger vehicles only). The Company has been growing at a CAGR of 13.57% for the past 5 years. The Company continues to secure the orders for new models being developed by its customers. The Company also continues to focus on enhancing its product portfolio for each passenger vehicle. The Company is also focusing on increasing its presence across all passenger vehicle manufacturers.

ii. Profit and EBIDTA margin

The Company's Profit before Depreciation, Interest and Tax (PBDIT) increased from ₹ 36.27 crores in fiscal 2014 to ₹ 44.50 crores in Fiscal 2015, registering a growth of 23%. Although the EBIDTA margin for the fiscal 2015 reduced by 0.7% (13.97% in fiscal 2015 from 14.70% in fiscal 2014), the profit after tax (PAT) increased by 120% to ₹ 12.02 crores in fiscal 2015 (from ₹ 5.45 crores in fiscal 2014). The Company's management continues to focus on improving the overall efficiencies of each operation of the Company.

iii. Earning Per Share (EPS)

The Company recorded an EPS of ₹ 8.59 per equity share of ₹ 10 each on 14,000,000 Equity Shares, an increase of 120.25% compared to previous year.

Internal Control System and their adequacy

Your Company has adequate systems and processes of internal controls which are commensurate with its size and nature of operations. They have been designed to provide reasonable assurance with regard to recording and providing reliable financial information, complying with applicable statutes, safeguarding of assets, authorization of transactions and adherence to the Company's policies and practices. The internal controls and governance process are duly reviewed for their adequacy and effectiveness through periodic audits by independent internal audit function.

The summary of the Internal Audit observations and status of implementation are submitted to the Audit Committee. The status of implementation of the recommendations are reviewed by the Audit Committee on a regular basis and concerns, if any, are reported to the Board. Respective functions have also been trained and equipped to enable continuous monitoring of exceptions by themselves to reduce surprises and enable corrective action on timely and regular basis.

Human Resources

Your Company believes that its People are its most valuable assets. To keep them motivated, your Company provides a challenging and remunerative work environment that encourages high performance, ownership and team work.

Your Company believes that a winning culture is essential to its success. This begins with the way employees are treated, protecting their health and safety, rewarding their performance, developing their potential, seeking their counsel and promoting diversity and inclusiveness. To support this, the Company has established the principles of good labor standards, equal opportunity for employment, ethical work environment, respect and health, regard for diversity and believes in following a code of conduct in order to further cultivate a culture of social responsibility at all levels. As on 31st March, 2015, the Company had 911 employees on its rolls. Due to the continuous focus on development of people's knowledge, attitude, skills and habits, the Company's attrition rate of 4% is well below the industry average of 15%.

Cautionary Statement

Certain statements in Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results and actions might differ materially from those either expressed or implied.

Annexure - E to the Directors' Report

Form No. AOC-2

(Pursuant to clause (h) of Sub-Section 134 of the Act and rule 7(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of the Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

- a) Name(s) of the related party and nature of relationship: Not Applicable
- b) Nature of contracts / arrangements / transactions: Not Applicable
- c) Duration of the contracts / arrangements / transactions: Not Applicable
- d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
- f) Date(s) of approval by the Board: Not Applicable
- g) Amount paid as advances, if any: Not Applicable
- h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188: Not Applicable

2. Details of material contracts or arrangement or transactions at arm's length basis:

- a) Name(s) of the related party and nature of relationship: **PPAP Tokai India Rubber Private Limited, Joint Venture Company.**
- b) Nature of contracts / arrangements / transactions: **Leasing of Property.**
- c) Duration of the contracts / arrangements / transactions: **Annual Basis.**
- d) Salient terms of the contracts or arrangements or transactions including the value, if any: **Monthly rent of ₹ 570,000**
- e) Date(s) of approval by the Board: **27th May, 2014.**
- f) Amount paid as advances, if any: **NIL.**

For and on behalf of the Board of Directors

Place : Noida
Date : 26th May, 2015

Ajay Kumar Jain
Chairman & Managing Director

Abhishek Jain
Whole Time Director

Annexure - F to the Directors' Report

Form No. MR-3

Secretarial Audit Report

For The Financial Year Ended 31st March, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Ppap Automotive Limited
54, Okhla Industrial Estate,
Phase III, Delhi-110020

Sir,

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

Based on my verification of the PPAP Automotive Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by PPAP Automotive Limited (the Company) for the financial year ended on 31st March, 2015 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made hereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
Not applicable as the Company has not entered into any transactions.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
Not applicable as the Company has not formulated any Employee Stock Option Scheme and Employee Stock Purchase Scheme till date.
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
Not applicable as the Company has not gone with debt listing.
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
Not applicable. The Shares of the Company are listed on National Stock Exchange of India Limited and Bombay Stock Exchange Limited since the date of its listing; and

Annexure-F to the Directors' Report

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

Not applicable as the Company has not done any Buyback of its securities.

vi. Other laws as applicable specifically to the Company:

- a. The Air (Prevention and Control of Pollution) Act, 1981
- b. The Water (Prevention and Control of Pollution) Act, 1974
- c. The Environment (Protection) Act, 1986
- d. Petroleum Act, 1934

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

These Secretarial Standards were not effective till the last day of the audit period.

(ii) The Listing Agreement entered into by the Company with National Stock Exchange and Bombay Stock Exchange;

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

I further report that:

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

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

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

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has taken following major decisions:

- i. The name of the Company has been changed from 'Precision Pipes and Profiles Company Limited' to 'PPAP Automotive Limited' with effect from 16th May, 2014.
- ii. Section 180(1)(a) of the Companies Act, 2013: To mortgage and / or create charge on movable and / or immovable assets and properties of the Company, wherever situated, present and future, whether presently belonging to the Company or not, in favor of any person, but not limited to financial / investment institution(s), bank(s), insurance company(s), mutual fund(s), corporate body(s), trustee(s) to secure the loans, borrowings, debentures, hire purchase and / or working capital facilities and other credit facilities up to a sum not exceeding ₹ 300,00,00,000/- (Rupees Three Hundred Crore only).
- iii. Section 180(1)(c) of the Companies Act, 2013: To borrow from time to time any sum or sums of money, which together with the monies already borrowed by the Company (apart from temporary loans obtained from the bankers of the Company in the ordinary course of business) shall not exceed in aggregate at any time of ₹300,00,00,000/- (Rupees Three Hundred Crore only) irrespective of the fact that such aggregate amount of borrowing outstanding at any time may exceed the aggregate for the time being of the paid-up capital of the Company and free reserves, that is to say, reserves not set apart for any specific purpose.
- iv. The Company has adopted new set of Articles of Association containing regulations in conformity with the Companies Act, 2013.

For **VLA & Associates**
Company Secretaries

Vishal Lochan Aggarwal
Proprietor
FCS No.: 7241
C P No.: 762

Place : New Delhi
Date : 22nd May, 2015

Annexure - G to the Directors' Report

Corporate Social Responsibility Activities ("CSR Activities")

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

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

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

ii) Composition of the CSR Committee:

Mr. Ashok Kumar Jain (Chairman) : Non-Executive / Independent Director
 Ms. Vinay Kumari Jain : Non-Executive Director
 Mr. Abhishek Jain : Executive Director

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

Average net profit: ₹ 60,050,231

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

The Company is required to spend ₹ 1,201,005 towards CSR Activities.

v) Details of CSR spend for the financial year:

- a. Total amount spent for the financial year : ₹ 1,111,957
 b. Amount unspent, if any : ₹ 89,048
 c. Manner in which the amount spent during the financial year is detailed below:

(in ₹)

CSR project or activity identified	Sector in which the project is covered	Locations (Unit)	Amount Spent on the project	Cumulative Expenditure upto reporting period	Amount spent: Direct or through implementing agency
Donation to schools for upliftment of financially weaker students	Promoting education and providing infrastructure in education	Solarpur, Gautam Budh Nagar, Noida, Uttar Pradesh	1,111,957	1,111,957	Direct
TOTAL			1,111,957	1,111,957	

vi) Responsibility Statement by the Corporate Social Responsibility Committee:

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

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

Currently, your Company is focusing to provide education and other facilities for the upliftment of financially weaker students. Significant amount has already been spent on the identified activities being education and the balance amount is already allocated towards these activities.

Place : Noida

Date : 26th May, 2015

Ajay Kumar Jain

Chairman & Managing Director

Ashok Kumar Jain

Chairman of CSR Committee

Annexue - H to the Directors' Report

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

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

A. Energy Conservation

Your Company gives due importance in preservation of environment. Your Company continuously focuses on reducing the electricity, water and compressed air consumption. The Company also focuses on alternate methods of sourcing its electricity requirements. The Company has installed efficient energy management systems across all the plants to monitor and optimize the use of electricity. The entire distribution of air and water supplies has been reviewed and optimized. Every year new initiatives towards energy conservation are taken by the management. A few measures taken by the management are enumerated as below:

1. Improving availability of Government supplied electricity.
2. Awareness improvement for sensitivity towards importance of energy conservation.
3. Replacement of alternate source of lighting (from CFL to LED).
4. Optimization of motors / heaters used in plant utilities and machinery.
5. Introduction of variable pumps.
6. Redistribution of water and air delivery system.

B. Technology Absorption and Research & Development

- Development of new products and processes related to automotive sealing systems and injection molded products.
- Development of in-house paint shop for automotive parts painting.
- Continuous product quality improvement through process adherence and improvement.
- Optimization of products and processes to reduce waste.

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

The initiatives taken by the Company have helped in reduction of the power consumption cost and increased operational efficiency.

Your Company has been continuously upgrading the technology and systems to improve.

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

- a) The details of technology imported: The Company is using automotive sealing systems technology imported from Tokai Kogyo Co. Limited, Japan and Interior & exterior injection molded technology from Nissen Chemitec Corporation, Japan.
- b) The year of import: Tokai Kogyo Co. Limited, Japan, since 1989 and Nissen Chemitec Corporation, Japan, since 2007.
- c) Whether the technology been fully absorbed: Yes
- d) If not fully absorbed areas where absorption has not taken place, and the reasons thereof: The technology has been fully absorbed.

C. Foreign Exchange Earnings and Outgo

(₹ in crores)

Particulars	For the year ended	
	31-Mar-15	31-Mar-14
Foreign exchange earning	-	0.01
Foreign exchange outgo	85.60	78.36

Independent Auditors' Report

TO THE MEMBERS OF PPAP AUTOMOTIVE LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **PPAP AUTOMOTIVE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

Opinion

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

- (i) in the case of the balance sheet, of the state of affairs of the Company as at 31st March 2015;
- (ii) in the case of the statement of profit and loss, of the profit for the year ended on that date; and
- (iii) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act (hereinafter referred to as the "Order"), 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 3 and 4 of the Order.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements-Refer Note 33 to the financial statements.
 - ii. In our opinion and as per the information and explanations provided to us, the Company has not entered into any long-term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Place : Noida
Date : 26th May, 2015

Atul Bagla
Partner
Membership No. 91885

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE AUDITORS' REPORT ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2015

- 1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- 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, the procedures of physical verification of inventory followed by the management are 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. As informed to us, the Company has not granted loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act.
- 4. In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

5. According to the information and explanations given to us, the Company has not accepted any deposits, in terms of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
6. The Central Government has prescribed the maintenance of cost records under sub-section (I) of Section 148 of the Companies Act, in respect of certain manufacturing activities of the Company. We have broadly reviewed such records and are of the opinion that prescribed accounts and records have been maintained
7. (a) As per information and explanations given to us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There are no outstanding statutory dues as at the last day of the financial year under audit for a period of more than six months from the date they became payable.

- (b) We have been informed that following disputed demands in respect of VAT, Service Tax, Excise Duty, Entry Tax and Income Tax have not been deposited on account of pending appeals:

Particulars	Financial years of which the matters pertains	Forum where dispute is pending	Amount (₹)
Sales Tax	2004-2005	Joint Commissioner of Sales Tax (Appeals)	44,541
Excise Duty	August 2003 to August 2004	Appellate Tribunal (CESTAT), Delhi	7,072,066
Excise Duty	May 2004 to July 2004	Appellate Tribunal (CESTAT), Delhi	211,792
Income Tax	A.Y. 2003-2004	Commissioner of Income Tax Appeal (Delhi)	55,655
Income Tax	A.Y. 2009-2010	Commissioner of Income Tax Appeal (Delhi)	2,690,995
Income Tax	A.Y. 2010-2011	Commissioner of Income Tax Appeal (Delhi)	2,939,730
Income Tax	A.Y. 2011-2012	Commissioner of Income Tax Appeal (Delhi)	243,430
Income Tax	A.Y. 2012-2013	Commissioner of Income Tax Appeal (Delhi)	300,190

- c) In our opinion, and according to the information and explanations given to us, amounts required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder have been transferred to such fund within time.
8. The Company has no accumulated losses as at the end of the year. The Company has not incurred cash losses during the financial year covered by our 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 Institutions, banks or debenture holders as at the year end.
10. According to information and explanations given to us the Company has not given any guarantee for loan taken by others from banks or financial institutions, the terms and conditions whereof are prejudicial to the interest of the Company.
11. In our opinion, term loans were applied for the purpose for which the loans were obtained by the Company.
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, 2015.

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

Place : Noida
Date : 26th May, 2015

Atul Bagla
Partner
Membership No. 91885

Balance Sheet as at 31st March, 2015

Amount in ₹

Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
Share capital	1	140,000,000	140,000,000
Reserves and surplus	2	1,845,246,256	1,749,019,447
		1,985,246,256	1,889,019,447
2. Non-current liabilities			
Long term borrowings	3	507,061,175	151,260,535
Deferred tax liabilities (net)	4	37,914,519	27,686,301
Other long term liabilities	5	150,400	50,400
Long term provisions	6	44,599,358	34,221,101
		589,725,452	213,218,337
3. Current liabilities			
Short term borrowings	7	170,332,603	229,710,357
Trade payables	8	247,542,908	183,121,261
Other current liabilities	9	240,836,682	329,300,613
Short term provisions	10	24,682,587	9,003,071
		683,394,780	751,135,302
Total		3,258,366,488	2,853,373,086
II ASSETS			
1. Non-current assets			
Fixed assets	11		
Tangible assets		1,844,100,442	1,327,856,579
Intangible assets		83,567,561	80,100,282
Capital work-in-progress		993,777	257,895,090
Intangible assets under development		1,136,741	-
Non current investments	12	375,380,000	245,300,000
Long-term loans and advances	13	77,681,167	64,403,310
		2,382,859,688	1,975,555,261
2. Current assets			
Inventories	14	273,888,553	301,911,368
Trade receivables	15	390,790,265	326,132,042
Cash and bank balances	16	17,485,873	19,128,254
Short-term loans and advances	17	193,342,109	230,646,161
		875,506,800	877,817,825
Total		3,258,366,488	2,853,373,086

Notes form an integral part of the financial statements.

As per our report of even date attached

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

Chartered Accountants

Firm Registration No.: 000018N

Atul Bagla

Partner

(Membership No. 091885)

Place : Noida

Date : 26th May, 2015

For and on behalf of the Board of Directors of

PPAP Automotive Limited

Ajay Kumar Jain

Chairman & Managing Director

DIN: 00148839

Manish Dhariwal

Chief Financial Officer

Abhishek Jain

Whole Time Director

DIN: 00137651

Sonia Bhandari

Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2015

Amount in ₹

Particulars	Note No.	For the Year ended 31.03.2015	For the Year ended 31.03.2014
Revenue			
Revenue from operations	18	3,621,402,359	2,811,497,048
Less: Excise duty		436,365,661	343,928,365
		3,185,036,698	2,467,568,683
Other income	19	41,411,599	83,539,809
Total revenue		3,226,448,297	2,551,108,492
Expenses			
Cost of materials consumed	20	1,929,615,627	1,432,813,031
Change in inventories	21	(46,293,025)	1,034,305
Employee benefits expense	22	413,963,129	354,367,545
Other expenses	23	484,128,975	400,192,577
Total expenses		2,781,414,706	2,188,407,458
Earnings before interest, tax, depreciation and amortization (EBITDA)		445,033,591	362,701,034
Finance cost	24	71,299,641	30,403,709
Depreciation and amortization	11	215,360,593	197,476,159
Profit / (loss) before exceptional & extraordinary items and tax		158,373,357	134,821,166
Extraordinary items		-	(54,606,112)
Profit / (loss) before tax		158,373,357	80,215,054
Tax expense			
Current tax	25	27,845,295	33,138,893
Deferred tax		10,228,218	(7,510,800)
Profit / (loss) for the period		120,299,844	54,586,961
Earnings per equity share	26		
Basic and diluted		8.59	3.90
Equity share of face value of ₹ 10 each			

Notes form an integral part of the financial statements.

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

Atul Bagla
Partner
(Membership No. 091885)

Place : Noida
Date : 26th May, 2015

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

Ajay Kumar Jain
Chairman & Managing Director
DIN: 00148839

Manish Dhariwal
Chief Financial Officer

Abhishek Jain
Whole Time Director
DIN: 00137651

Sonia Bhandari
Company Secretary

Cash Flow Statement for the year ended 31st March, 2015

Amount in ₹

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax and extra ordinary items	158,373,357	134,821,166
Adjusted for		
Depreciation	215,360,593	197,476,159
(Profit) / loss on sale of fixed assets	(25,571,326)	(76,201,027)
Unrealized foreign exchange (gain) / loss	(7,601,704)	12,201
Interest received	(1,398,569)	(1,194,621)
Dividend received	-	(333,027)
Loss on sale of investment	-	480,000
Interest paid	71,299,641	30,403,709
Operating profit before working capital changes	410,461,992	285,464,560
Adjusted for		
(increase) / decrease in trade & other receivables	(27,354,172)	(139,215,791)
(increase) / decrease changes in inventories	28,022,817	26,530,389
Increase / (decrease) changes in trade & other payables	(7,081,967)	263,386,480
Changes in loans & advances	(20,986,795)	20,791,151
Cash generated from operations	383,061,875	456,956,790
Income tax paid	(20,136,357)	(35,484,933)
Cash flow before extraordinary items	362,925,518	421,471,857
Extraordinary items	-	(54,606,112)
Net cash from operating activities (A)	362,925,518	366,865,745
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (net) including CWIP & intangibles	(461,009,711)	(377,801,554)
Investment in joint venture	(130,080,000)	(245,300,000)
Proceeds from sale of investments	-	6,720,000
Interest received	1,398,569	1,194,621
Dividend received	-	333,027
Net cash used in investing activities (B)	(589,691,142)	(614,853,906)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds / (repayments) of long term borrowings (net)	355,800,640	150,699,960
Proceeds / (repayments) of short term borrowings (net)	(59,377,755)	87,728,163
Investment in bank deposits	8,182,078	(2,218,000)
Interest paid	(71,299,641)	(30,403,709)
Net Cash used in Financing Activities (C)	233,305,322	205,806,414
Net increase / (decrease) in cash and cash equivalents (A+B+C)	6,539,698	(42,181,747)
Cash and cash equivalents at the beginning of the year	7,028,254	49,210,001
Cash and cash equivalents at the end of the year	13,567,952	7,028,254
Components of cash and cash equivalents		
Cash on hand	3,389,797	1,632,621
With banks		
on current account	10,178,154	525,404
on deposit account	-	4,870,229
Total	13,567,951	7,028,254

Note : See note no. 23 for the amount spent on corporate social responsibility activities.

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 : 26th May, 2015

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

Ajay Kumar Jain

Chairman & Managing Director

DIN: 00148839

Manish Dhariwal

Chief Financial Officer

Abhishek Jain

Whole Time Director

DIN: 00137651

Sonia Bhandari

Company Secretary

Significant Accounting Policies

I. Basis of preparation of financial statements:

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

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current & non-current classification of assets and liabilities.

II. Use of estimates:

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

III. Fixed Assets & Depreciation:

- a) Fixed assets are stated at historical cost. Cost includes freight, installation cost, duties, taxes and incidental expenses but net of recoverable taxes.
- b) Depreciation / amortization on tangible and intangible fixed assets are provided to the extent of depreciable amount on the Straight Line Method (SLM). Depreciation is provided at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013 except on some assets, where useful life has been taken based on internal technical evaluation.
- c) Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization / depletion and impairment loss, if any.
- d) Technical knowhow is being amortised on pro-rata basis over a period six years.
- e) Leasehold land is amortised over the period of lease.

IV. Investment

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

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

V. Inventories

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

VI. Revenue Recognition

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

VII. Excise Duty / Service Tax 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.

VIII. Provision for Current and Deferred Tax

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

Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using

Significant Accounting Policies

the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realised in future.

IX. Foreign Currency Transactions

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

X. Impairment of Assets

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

XI. Employee Benefits

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

XII. Leases

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.

XIII. Borrowing Cost

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

XIV. Provisions, Contingent Liabilities & Contingent Assets

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

XV. Measurement of EBITDA

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

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

Notes on Financial Statements for the year ended 31st March, 2015

Amount in ₹

1	Share Capital	As at 31.03.2015	As at 31.03.2014
	Authorized capital		
	20,000,000 equity share of ₹10/- each	200,000,000	200,000,000
	(Previous year 20,000,000 equity share of ₹10/- each)		
		200,000,000	200,000,000
	Issued, subscribed and paid-up capital	140,000,000	140,000,000
	14,000,000 equity share of ₹10/- each fully paid up		
		140,000,000	140,000,000

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% equity shares in the Company

Name of Shareholder	As at 31.03.2015		As at 31.03.2014	
	No. of shares	% held	No. of shares	% held
Ajay Kumar Jain	4,007,680	28.63	4,007,680	28.63
Abhishek Jain	1,002,404	7.16	1,002,404	7.16
Kalindi Farms Private Limited	1,793,093	12.81	1,793,093	12.81
Vinay Kumari Jain	1,416,890	10.12	1,936,890	13.83
	8,220,067	58.72	8,740,067	62.43

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 capitalization of reserves.

2	Reserves and Surplus	As at 31.03.2015	As at 31.03.2014
	Securities Premium Reserve (A)	700,000,000	700,000,000
	General Reserve		
	Opening balance	96,169,103	96,169,103
	Less: Amount withdrawn from reserve (see note no. 35)	7,273,875	-
	Add: Transferred from profit & loss account	12,000,000	-
	Total (B)	100,895,228	96,169,103
	Surplus in the statement of profit & loss		
	As per last balance sheet	952,850,344	898,263,383
	Add : Profit for the year	120,299,844	54,586,961
	Profit available for appropriation	1,073,150,188	952,850,344
	Less : Transferred to general reserve	12,000,000	-
	Less : Provision for final dividend [dividend per share ₹ 1 (previous year Nil)]	14,000,000	-
	Less : Tax on dividend	2,799,160	-
	Closing Balance (C)	1,044,351,028	952,850,344
	Total (A)+(B)+(C)	1,845,246,256	1,749,019,447

Notes on Financial Statements for the year ended 31st March, 2015

Amount in ₹

3 Long-Term Borrowings	As at 31.03.2015	As at 31.03.2014
Secured		
Term loans		
- From banks	455,000,000	120,000,000
Vehicle loans		
- From banks	52,061,175	30,699,960
Unsecured		
- From companies	-	560,575
Total	507,061,175	151,260,535

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

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

Bank Name	Terms of Repayment	Repayment Start Period	Repayment End Period	Rate of Interest
ICICI Bank Limited		30-Jun-13	31-Mar-18	ICICI bank base rate +2.00% p.a.
ICICI Bank Limited	Repayable in 20 quarterly installments	30-Jun-15	31-Mar-20	ICICI bank base rate +1.20% p.a.
HDFC Bank Limited		24-Oct-14	24-Jul-19	HDFC bank base rate +1.60% p.a.

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

Deferred Tax Liabilities / (Assets)	As at 31.03.2015	As at 31.03.2014
Deferred tax liability		
Related to depreciation on fixed assets	49,122,478	35,197,101
Deferred tax asset		
Disallowances under the Income Tax Act, 1961	11,207,959	7,510,800
Net deferred tax liability / (assets)	37,914,519	27,686,301

The deferred tax credit / (charge) for the year has been recognized in the profit & loss account for the year.

Notes on Financial Statements for the year ended 31st March, 2015

Amount in ₹

5 Other Long Term Liabilities	As at 31.03.2015	As at 31.03.2014
Security deposits	150,400	50,400
Total	150,400	50,400

6 Long-Term Provisions	As at 31.03.2015	As at 31.03.2014
Provision for employee benefits		
Gratuity	37,601,324	28,702,514
Leave encashment	6,998,034	5,518,587
Total	44,599,358	34,221,101

7 Short-Term Borrowings	As at 31.03.2015	As at 31.03.2014
Secured		
Working capital loans from banks Secured by hypothecation of inventories, book debts, other current assets 'factory land and building at B-206A, Sector-81, Phase-II, Noida.	48,614,161	118,264,191
	48,614,161	118,264,191
Unsecured		
Working capital loan from banks	121,718,442	111,446,166
	121,718,442	111,446,166
Total	170,332,603	229,710,357

8 Trade Payables	As at 31.03.2015	As at 31.03.2014
Dues to Micro & Small Enterprises	24,938,869	23,762,703
Other Trade Payables	222,604,039	159,358,558
Total	247,542,908	183,121,261

Notes on Financial Statements for the year ended 31st March, 2015

Amount in ₹

9 Other Current Liabilities	As at 31.03.2015	As at 31.03.2014
Current maturity of long-term debt : secured		
Term loans from banks	140,000,000	40,000,000
Vehicle loans from banks	13,299,618	6,207,725
Interest accrued, but not due on borrowings	2,711,431	306,729
Amount payable in respect of purchase of fixed assets	30,933,439	18,531,450
Unpaid dividends	904,947	905,262
Statutory dues	24,638,944	25,962,551
Advance from customers	27,933,773	235,596,417
Provision for expenses	414,530	1,790,479
Total	240,836,682	329,300,613

10 Short-Term Provisions	As at 31.03.2015	As at 31.03.2014
Provision for employee benefits:		
Gratuity	3,941,534	2,828,362
Leave encashment	1,098,634	1,194,905
Provision for dividend	14,000,000	-
Provision for tax on dividend	2,799,160	-
Provision for wealth tax	130,000	190,000
Provision for excise duty on closing stock of finished goods	2,713,259	4,789,804
Total	24,682,587	9,003,071

Notes on Financial Statements for the year ended 31st March, 2015

Amount in ₹

11 Fixed Assets

GROSS BLOCK					DEPRECIATION			NET BLOCK		
Sr. No.	Name of Assets	Balance as on 01.04.2014	Additions During the year	Sale/ adjustment	Total as on 31.03.2015	Balance as on 01.04.2014	During the year #	Sale/ adjustment	Balance as on 31.03.2015	Balance as on 31.03.2014
(A) TANGIBLE ASSETS										
	Land	145,708,176	23,240,281	-	168,948,457	8,250,708	1,426,510	-	9,677,218	137,457,467
	Factory Building	453,758,655	210,746,092	-	664,504,747	74,418,893	17,356,754	-	91,775,647	379,339,762
	Plant & Machinery	944,380,349	436,984,504	23,802,673	1,357,562,180	401,885,450	97,985,314	1,657,421	498,213,337	542,494,899
	Furniture & Fixtures	24,213,766	17,234,828	704,433	40,744,161	5,601,370	4,409,849	217,017	9,794,202	18,612,396
	Vehicle	66,936,701	48,569,823	1,312,331	114,194,193	12,574,540	13,013,576	196,243	25,391,873	54,362,161
	Office Equipment	26,191,943	6,294,594	-	32,486,537	5,192,553	11,538,979	-	16,731,533	20,999,390
	Dies & Moulds	629,111,901	11,046,869	159,086,794	481,071,975	463,100,090	46,281,193	131,091,961	378,289,322	165,951,795
	Computer	24,348,121	13,527,185	-	37,875,306	15,709,430	7,704,552	-	23,413,982	8,638,707
(B) INTANGIBLE ASSETS										
	Technical Know How	123,577,524	20,931,514	-	144,509,038	49,538,811	20,600,882	-	70,139,692	74,038,713
	Computer Software	16,907,016	5,453,504	-	22,360,520	10,845,444	2,316,860	-	13,162,305	6,061,571
(C) CAPITAL WORK IN PROGRESS										
	Plant & Machinery	60,530,608	16,046,657	76,577,265	-	-	-	-	-	60,530,608
	Building under construction	159,417,878	68,564,155	226,988,256	993,777	-	-	-	993,777	159,417,878
	Computer	2,287,685	-	2,287,685	-	-	-	-	-	2,287,685
	Intangible Assets	271,208	865,533	-	1,136,741	-	-	-	1,136,741	271,208
	Paint Shop	-	12,017,723	12,017,723	-	-	-	-	-	-
	Misc. Fixed Assets	24,719,103	-	24,719,103	-	-	-	-	-	24,719,103
	Pre operating expenses pending allocation	10,668,606	-	10,668,606	-	-	-	-	-	10,668,606
	Grand Total (₹)	257,895,089	97,494,068	353,258,639	2,130,518	-	-	-	2,130,518	257,895,089
	Previous Year Total	2,713,029,240	891,523,262	538,164,870	3,066,387,631	1,047,117,289	222,634,469	133,162,643	1,136,589,111	1,929,798,522
					</					

Depreciation during the year includes an amount of ₹ 72,73,875 representing WDV of those assets whose useful life had already expired as on 1st April, 2014 which has been adjusted against the balance in general reserve consequent to calculation of depreciation as per Schedule II of Companies Act 2013.

Notes on Financial Statements for the year ended 31st March, 2015

Amount in ₹

12 Non Current Investments	As at 31.03.2015	As at 31.03.2014
(Unquoted - other investments)		
Investment in equity shares of joint venture companies		
37,500,000 (previous year 24,500,000) equity shares of ₹ 10/- each of PPAP Tokai India Rubber Private Limited	375,300,000	245,300,000
Investment in equity shares of associates		
4,000 (previous year Nil) equity shares of ₹ 10/- Each of PPAP Automotive Chennai Private Limited	40,000	-
4,000 (previous year Nil) equity shares of ₹ 10/- Each of PPAP Automotive Technology Private Limited	40,000	-
Total	375,380,000	245,300,000

13 Long-Term loans and advances (unsecured and considered good)	As at 31.03.2015	As at 31.03.2014
Capital advances	21,170,000	-
Security deposits	14,263,975	12,947,180
Other loans and advances:		
Prepaid expenses	-	1,500,000
Advance tax (net of income tax provisions amounting to ₹ 29,500,000 (previous year ₹ 18,200,000))	40,592,487	48,844,778
MAT credit entitlement account	1,654,705	1,111,352
Total	77,681,167	64,403,310

14 Inventories	As at 31.03.2015	As at 31.03.2014
Raw materials	162,038,986	241,475,596
Consumables	581,216	614,557
Finished goods	24,419,327	43,542,265
Work-in-process	86,849,024	16,278,951
Total	273,888,553	301,911,368

Notes on Financial Statements for the year ended 31st March, 2015

Amount in ₹

15 Trade Receivables	As at 31.03.2015	As at 31.03.2014
Trade Receivables - unsecured		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	952,140	4,168,522
Considered doubtful	400,769	834,316
	1,352,909	5,002,838
Less : Provision for doubtful debts	400,769	834,316
	952,140	4,168,522
Other receivables		
Considered good	389,838,125	321,963,520
Total	390,790,265	326,132,042

16 Cash and Bank Balances	As at 31.03.2015	As at 31.03.2014
Cash and cash equivalents		
Balance with banks		
In current account	9,121,461	525,404
Bank deposits (having maturity within 3 months)	-	3,964,967
Cash on hand	3,389,797	1,632,621
Other bank balances		
Earmarked balances with banks	1,056,694	905,262
Bank deposits (having maturity more than 3 months held as security against letter of credit and bank guarantees)	3,917,921	12,100,000
Total	17,485,873	19,128,254

Notes on Financial Statements for the year ended 31st March, 2015

Amount in ₹

17 Short-Term Loans and Advances	As at 31.03.2015	As at 31.03.2014
Unsecured and considered good		
Loans and advances to related parties	-	-
Others		
Duty and taxes receivable	83,011,488	79,675,197
Interest accrued	-	441,911
Staff advances	851,250	349,186
Prepaid expenses	10,692,312	5,637,839
Advance to trade payables	98,787,059	143,079,318
Advance against expenses	-	1,462,710
Total	193,342,109	230,646,161

18 Revenue from operations	As at 31.03.2015	As at 31.03.2014
Sale of products	3,619,873,209	2,801,879,032
Income from services	1,529,150	9,618,016
Total	3,621,402,359	2,811,497,048

19 Other Income	As at 31.03.2015	As at 31.03.2014
Interest received	1,398,569	1,194,621
Dividend received	-	333,027
Unclaimed balances written back	-	215,057
Profit on sale of assets	25,571,326	76,201,027
Miscellaneous income	-	149,826
Rental income	6,840,000	6,840,000
Difference of exchange rate in foreign transactions	7,601,704	(1,393,749)
Total	41,411,599	83,539,809

Notes on Financial Statements for the year ended 31st March, 2015

Amount in ₹

20	Particulars of Material Consumed	As at 31.03.2015	As at 31.03.2014
	Raw materials	1,661,051,945	1,159,491,480
	Dyes & chemicals	12,605,028	13,825,703
	Packing materials	63,501,548	68,569,646
	Accessories	192,403,880	190,886,958
	Fabric	53,226	39,244
	Total	1,929,615,627	1,432,813,031

20.1	Cost of Materials Consumed	2014-15		2013-14	
	Items		(% age)		(% age)
	Imported	737,280,778	38.21	551,199,175	38.47
	Indigenous	1,192,334,849	61.79	881,613,857	61.53
		1,929,615,627	100.00	1,432,813,032	100.00

21	Changes in inventories	As at 31.03.2015	As at 31.03.2014
	Closing stock		
	Finished goods	24,419,326	43,542,265
	Work-in-process of in-house manufactured molds	60,184,214	-
	Work-in-process	21,510,701	16,278,951
		106,114,241	59,821,216
	Opening stock		
	Finished goods	43,542,265	22,079,963
	Work-in-process	16,278,951	39,939,614
		59,821,216	62,019,577
	Stock transferred on slump sale	-	1,164,056
	Total	(46,293,025)	1,034,305

Notes on Financial Statements for the year ended 31st March, 2015

Amount in ₹

22	Employee benefits expense	As at 31.03.2015	As at 31.03.2014
	Salaries and wages	368,810,594	315,427,384
	Contribution to provident fund and other funds	17,901,067	16,247,755
	Staff welfare expense	27,251,468	22,692,406
	Total	413,963,129	354,367,545

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

- Projected unit credit (PUC) actuarial method has been used to assess the plan's liabilities of exit employees for retirement, death-in-service and withdrawals (Resignations / Terminations).
- Under the PUC method a projected accrued benefit is calculated at the beginning of the period and again at the end of the period for each benefit that will accrue for all active 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

Economic assumptions

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

	31.03.2015	31.03.2014
Discounting rate	7.75	8.50
Future salary increase	6.25	6.25
Expected rate of return on plan assets	-	-
Demographic assumption		
Retirement age (years)	58.00	58.00
Mortality table	IALM (2006-08)	IALM (2006-08)
Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

22.3	Change in present value of obligation Gratuity (Unfunded)	31.03.2015	31.03.2014
a)	Present value of obligation as at the beginning of the period	31,530,876	39,955,908
b)	Acquisition / adjustment	-	-
c)	Interest cost	2,680,124	3,196,473
d)	Past service cost	-	-
e)	Current service cost	4,327,617	3,402,745
f)	Curtailement cost / (credit)	-	-
g)	Settlement cost / (credit)	-	-

Notes on Financial Statements for the year ended 31st March, 2015

Amount in ₹

	31.03.2015	31.03.2014
h) Benefits paid	1,339,291	9,223,682
i) Actuarial (gain) / loss on obligation	4,343,532	(5,800,568)
j) Present value of obligation as at the end of period	41,542,858	31,530,876
22.4 Expense recognized in the statement of profit and loss	31.03.2015	31.03.2014
Gratuity (Unfunded)		
a) Current service cost	4,327,617	3,402,745
b) Past service cost	-	-
c) Interest cost	2,680,124	3,196,473
d) Expected return on plan assets	-	-
e) Curtailment cost / (credit)	-	-
f) Settlement cost / (credit)	-	-
g) Net actuarial (gain) / loss recognized in the period	4,343,532	(5,800,568)
h) Expenses recognized in the statement of profit & loss	11,351,273	798,650
22.5 Reconciliation statement of expense in the statement of profit and loss	31.03.2015	31.03.2014
Gratuity (Unfunded)		
a) Present value of obligation as at the end of period	41,542,858	31,530,876
b) Present value of obligation as at the beginning of the period	31,530,876	39,955,908
c) Benefits paid	1,339,291	9,223,682
d) Actual return on plan assets	-	-
e) Acquisition adjustment	-	-
f) Expenses recognized in the statement of profit & loss	11,351,273	798,650
22.6 Movement in the Liability recognized in the balance sheet	31.03.2015	31.03.2014
Gratuity (Unfunded)		
a) Opening net liability	31,530,876	39,955,908
b) Expenses as above	11,351,273	798,650
c) Benefits paid	(1,339,291)	(9,223,682)
d) Actual return on plan assets	-	-
e) Acquisition adjustment	-	-
f) Closing net liability	41,542,858	31,530,876
22.7 Change in present value of obligation related to leave encashment	31.03.2015	31.03.2014
Leave Encashment (Unfunded)		
a) Present value of obligation as at the beginning of the period	6,713,492	8,865,664
b) Acquisition adjustment	-	-
c) Interest cost	570,647	709,253
d) Past service cost	-	-
e) Current service cost	1,323,060	1,115,047
f) Curtailment cost / (credit)	-	-
g) Settlement cost / (credit)	-	-
h) Benefits paid	(932,715)	(2,113,412)
i) Actuarial gain / (loss) on obligation	(422,184)	1,863,060
j) Present value of obligation as at the end of period	8,096,668	6,713,492

Notes on Financial Statements for the year ended 31st March, 2015

Amount in ₹

22.8	Expense recognized in the statement of profit and loss	31.03.2015	31.03.2014
	Leave Encashment (Unfunded)		
	a) Current service cost	1,323,060	1,115,047
	b) Past service cost	-	-
	c) Interest cost	570,647	709,253
	d) Expected return on plan assets	-	-
	e) Curtailment cost / (credit)	-	-
	f) Settlement cost / (credit)	-	-
	g) Net actuarial gain/ (loss) recognized in the period	(422,184)	1,863,060
	h) Expenses recognized in the statement of profit & loss	2,315,891	(38,760)
22.9	Reconciliation statement of expense in the statement of profit and loss	31.03.2015	31.03.2014
	Leave Encashment (Unfunded)		
	a) Present value of obligation as at the end of period	8,096,668	6,713,492
	b) Present value of obligation as at the beginning of the period	6,713,492	8,865,664
	c) Benefits paid	932,715	2,113,412
	d) Actual return on plan assets	-	-
	e) Acquisition adjustment	-	-
	f) Expenses recognized in the statement of profit & loss	2,315,891	(38,760)
22.10	Movement in the liability recognized in the balance sheet	31.03.2015	31.03.2014
	Leave Encashment (Unfunded)		
	a) Opening net liability	6,713,492	8,865,664
	b) Expenses as above	2,315,891	(38,760)
	c) Benefits paid	(932,715)	(2,113,412)
	d) Actual return on plan assets	-	-
	e) Acquisition adjustment	-	-
	f) Closing net liability	8,096,668	6,713,492
23	Other Expenses	31.03.2015	31.03.2014
	Consumption of stores and spare parts	52,540,543	38,752,646
	Power and fuel	85,753,269	87,975,034
	Rent	11,773,936	14,203,067
	Repairs to buildings	13,138,419	8,949,800
	Repair & maintenance (others)	7,810,129	5,070,823
	Insurance	2,857,771	1,929,320
	Excise duty #	(1,695,493)	3,166,295
	Rates and taxes including wealth tax	3,687,559	2,848,098
	Miscellaneous expenses	4,449,182	2,374,365
	Other manufacturing expense	41,732,905	29,652,214
	Factory expenses	23,529,983	19,318,846
	Payment to collaborators / royalty	38,632,882	31,857,920
	CSR expenses ##	1,111,957	-
	Printing & stationery	13,810,188	12,044,333

Notes on Financial Statements for the year ended 31st March, 2015

Amount in ₹

23 Other Expenses Contd..	31.03.2015	31.03.2014
Postage & telephone expenses	6,398,795	5,914,477
Fees & subscription	1,635,188	1,630,547
Directors' sitting fees	954,538	619,606
Legal & professional fees	22,798,454	14,599,217
Bank charges	6,478,624	4,570,515
Auditors' remuneration	685,000	599,440
Travelling & conveyance	34,133,043	24,737,947
Factory security	6,724,161	5,121,322
Motor car expenses	2,863,569	3,212,815
Office electricity	130,754	699,713
Charity & donation	72,510	101,836
Listing expenses	301,601	250,584
Meeting expenses	88,475	80,752
Loss on sale of investment	-	480,000
Advertisement & sales promotion	4,906,489	6,422,616
Rebate and discount	5,995,054	11,284,501
Freight & forwarding expenses	89,366,782	67,896,529
Sundry balances written off	1,462,710	-
Provision for bad & doubtful debts	-	545,018
Less: cost of moulds capitalized	-	(6,717,619)
Total	484,128,975	400,192,575

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.

Total amount of ₹ 1,201,005 (previous year not applicable) was required to be incurred towards CSR activities as per Section 135 of the Companies Act, 2013. The Company has incurred ₹ 1,111,957 (previous year not applicable) during the financial year in the field of education.

23.1 Auditors' Remuneration*	31.03.2015	31.03.2014
Statutory audit	375,000	300,000
Tax audit	110,000	100,000
Fee for certification & other services	200,000	199,440
Total	685,000	599,440

* Exclusive of service tax.

24 Finance Cost	31.03.2015	31.03.2014
Interest expenses	71,299,641	30,403,709
Total	71,299,641	30,403,709

25 Current Tax	31.03.2015	31.03.2014
Provision for tax on income	29,500,000	18,200,000
Excess provision of income tax written back	-	16,050,245
Adjustment for MAT credit entitlement account	(1,654,705)	(1,111,352)
Total	27,845,295	33,138,893

Notes on Financial Statements for the year ended 31st March, 2015

Amount in ₹

26	Earning Per Share (EPS)	31.03.2015	31.03.2014	
	Net profit after taxation	120,299,845	54,586,961	
	Number of equity shares	14,000,000	14,000,000	
	Earning per share (basic / diluted)	8.59	3.90	
27	Earning in Foreign Exchange	31.03.2015	31.03.2014	
	FOB value of exports	-	114,221	
	Total	-	114,221	
28	Value of import on C I F basis	31.03.2015	31.03.2014	
	Raw material	650,049,534	523,352,061	
	Stores & spares	3,215,532	3,474,724	
	Capital goods	130,127,527	128,428,439	
	Total	783,392,593	655,255,224	
29	Expenditure in Foreign Currency	31.03.2015	31.03.2014	
	Payment to collaborators	68,742,176	123,662,635	
	Foreign travel	4,033,524	4,749,627	
	Total	72,775,700	128,412,262	
30	Foreign Currency Exposures which are not Hedged as at Balance Sheet date			
	PARTICULARS	USD	JPY	EURO
	31 st March, 2015			
	Trade payables - foreign currency	183,463	115,346,284	-
	Trade payables - INR	11,497,886	62,276,115	-
	Trade receivables - foreign currency	-	-	-
	Trade receivables - INR	-	-	-
	31 st March, 2014			
	Trade payables - foreign currency	275,923	111,354,097	38,700
	Trade payables - INR	17,195,461	62,843,232	2,987,640
	Trade receivables - foreign currency	-	-	-
	Trade receivables - INR	-	-	-

Notes on Financial Statements for the year ended 31st March, 2015

Amount in ₹

31 Related Party Disclosures

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

Related Parties in the group where common control exists :

Kalindi Farms Private Limited

Ajay Poly Private Limited (up to financial year 2013-14)

Key Management Personnel of the Company:

Sh. Ajay Kumar Jain - Chairman & Managing Director

Sh. Abhishek Jain - Whole Time Director

Joint Ventures

PPAP Tokai India Rubber Private Limited

Associate Companies

PPAP Automotive Chennai Private Limited

PPAP Automotive Technology Private Limited

Relatives of the Key Management Personnel

Smt. Vinay Kumari Jain

31B Summary of the transactions with the above related parties in the ordinary course of business is as follows:

Nature of transaction	Related Parties where common control exists		Joint Venture		Key Management Personnel and relative of the Key Management Personnel	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Material / license purchases	875,160	1,903,779	-	-	-	-
Sales	-	-	14,066,580	82,014,639	-	-
Sale of fixed assets	-	-	3,017,808	8,895,214	-	-
Rent & lease charges paid	8,089,920	8,926,440	-	-	-	45,000
Remuneration paid	-	-	-	-	7,200,000	4,822,900
Sitting fee paid	-	-	-	-	240,000	20,000
Investment in equity shares	-	-	130,000,000	-	-	-
Receipts for other services*	-	-	28,087,158	24,952,629	-	-
Receipts from slump sale	-	65,000,000	-	-	-	-
Balance outstanding at the year end :						
Amount Recoverable	-	56,050,000	4,439,495	-	-	-

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

32 Segment Reporting

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

Notes on Financial Statements for the year ended 31st March, 2015

Amount in ₹

33 Contingent Liabilities & Commitments	As at 31.03.2015	As at 31.03.2014
Contingent Liabilities not provided for in respect of :		
Letters of guarantees	-	37,480,800
Letters of credit	37,263,760	58,759,404
Income tax appeal	-	-
For assessment year 2003-04	55,655	55,655
For assessment year 2004-05	-	-
For assessment year 2007-08	-	927,572
For assessment year 2009-10	2,690,995	1,975,945
For assessment year 2010-11	2,939,730	2,680,825
For assessment year 2011-12	243,430	3,463,470
For assessment year 2012-13	300,190	-
Service tax	-	-
Sales tax / VAT/ Entry tax	44,541	351,890
Civil suit	8,455,357	8,455,357
Central excise (duty paid under protest is ₹1,489,081/-)	7,283,858	7,283,858
	59,277,516	121,434,776

Notes :-

- A demand of ₹ 55,655/- has been raised for the assessment year 2003-04. However an appeal is pending before the Hon'ble CIT Appeal.
- A demand of ₹ 927,572/- has been raised for the assessment year 2007-08 and an appeal was pending before the Hon'ble CIT Appeal. Hon'ble CIT Appeal has duly allowed the appeal.
- A demand of ₹ 2,690,995/- has been raised for the assessment year 2009-10. However case is decided in favour of the Company and effect of appeal to cancel the demand of ₹ 1,975,945 is pending before the DCIT, Circle 19(2). An appeal against demand of ₹ 715,050 is pending before Hon'ble CIT Appeal.
- A demand of ₹ 2,939,730/- has been raised for the assessment year 2010-11. An application for rectification of mistake u/s 154 of the Income Tax Act has been filed on 02.04.2015 and once the rectification order is passed, demand will reduce to Nil.
- A demand of ₹ 3,463,470/- has been raised for the assessment year 2011-12. However an appeal is pending before the Hon'ble CIT Appeal. The demand determined by DCIT Cir -19(2) after adjustment of refund is ₹ 243,430/-.
- A demand of ₹ 300,190/- has been raised for the assessment year 2012-13. However an appeal is pending before the Hon'ble CIT Appeal.
- 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 ₹ 1,66,697/- was raised which was reduced to ₹ 1,13,957/- vide review order. The Company had deposited a sum of ₹ 68,516/- being undisputed demand and company had filed an appeal against the balance demand of ₹ 45,441/- before the Joint Commissioner of Sales Tax (Appeals) and stay granted vide order no F/PA/Jt. Comm. (KDU) /02/ Stay/ 410-411 dated 18.08.06. Out of total demand of ₹351,890 the Company had deposited ₹ 3,06,449 being undisputed demand.
- A demand of ₹ 8,455,357/- had been raised by BSES Rajdhani Ltd. for making payments of arrears for the misuse of electricity. The Company had filed a suit against BSES with District Court and won the case in its favour. However, BSES has filed an appeal with Hon'ble High Court but the notice for listing the matter not received from the court.
- Demand of excise duty of ₹ 105,896/- along with penalty of ₹ 1,05,896/- was imposed on the Company by Additional Commissioner, Central Excise, Delhi, for Cenvat credit taken on payment of duty through DEPB license, under the Central Excise Act, 1944. The Company had filed an appeal against the aforesaid order

Notes on Financial Statements for the year ended 31st March, 2015

Amount in ₹

with Commissioner of Central Excise, Okhla. The Commissioner of central excise has rejected the appeal. Thereafter, the Company has filed the appeal with the Central Excise & Service Tax Appellate Tribunal (CESTAT) and the appeal is pending.

- (x) Demand of excise duty of ₹ 3,536,033/- along with penalty of ₹ 3,536,033/- was imposed on the Company by Addl. Commissioner, Central Excise, Delhi, for Cenvat credit taken on payment of duty through DEPB license, under the Central Excise Act, 1944. The Company had filed an appeal against the aforesaid order with Commissioner of Central Excise, Okhla. The Commissioner of Central Excise has rejected the appeal. Thereafter, the Company has filed the appeal with the Central Excise & Service Tax Appellate Tribunal (CESTAT) and the appeal is pending. (The case relates to the period August 2003 - August 2004).

34 Dues to Small, Micro & Medium Enterprises #	As at 31.03.2015	As at 31.03.2014
Principal amount outstanding	24,938,869	23,762,703
Interest due on (1) above and the unpaid interest	-	-
Interest paid on all delayed payments under MSMED Act	-	-
Payment made beyond the appointed date during the year	-	-
Interest due and payable for the period of delay other than (3) above	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 are as per the available information with the Company.

35 Depreciation and amortization on tangible and intangible fixed assets

The Company was hitherto charging depreciation on straight line method at the rates provided in schedule XIV of the Companies Act, 1956. In the current year, the Company has reassessed the useful life of assets, and adopted the useful life as provided in schedule II of the Companies Act, 2013 except in the following cases:

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

Consequent to change of useful life as above, an amount of ₹ 7,273,875/- representing WDV of those assets whose useful life had already expired as on 1st April, 2014 has been adjusted against the General Reserve.

The depreciation charged for the year would have been higher by ₹ 9,379,522/- and profit for the year would have been lower by ₹ 9,379,522/-, if there had been no change in the useful life of the assets due to the Companies Act, 2013.

- 36 The previous year's figures have been accordingly regrouped/reclassified to conform to the current year's classification.

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

Atul Bagla
Partner
(Membership No. 091885)

Place : Noida
Date : 26th May, 2015

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

Ajay Kumar Jain
Chairman & Managing Director
DIN: 00148839

Manish Dhariwal
Chief Financial Officer

Abhishek Jain
Whole Time Director
DIN: 00137651

Sonia Bhandari
Company Secretary

NOTES

[illegible]

INFRASTRUCTURE



Extrusion Facility



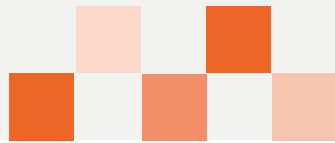
Injection Molding Facility



Tool and Machine Manufacturing Facility



Design, Testing and Validation Facility



PRODUCTS - SEALING SYSTEMS



PRODUCTS - INTERIOR & EXTERIOR INJECTION



MANUFACTURING FACILITIES

CERTIFICATIONS

TS 16949

ISO 14001

OHSAS 18001



PLANT IV
PATHREDI, 2014



PLANT I
NOIDA, 1996



PLANT II
NOIDA, 2003



PLANT III
GREATER NOIDA, 2008



PLANT V
CHENNAI, 2012

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





BOOK-POST



If undelivered please return to:

PPAP Automotive Limited

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