PPAP Automotive Limited

Annual Report 2018-19

Taking Challenges, Together

CONTENTS

CORPORATE INFORMATION

CIN: L74899DL1995PLC073281

REGISTERED OFFICE

54, Okhla Industrial Estate,
Phase-III, New Delhi-110020
Tel: +91-11-26311671 / 26910777

CORPORATE OFFICE

B-206A, Sector-81, Phase-II,
Noida-201305, Uttar Pradesh
Tel: +91-120-2462552 / 53
Website: www.ppapco.in
E-mail: investorservice@ppapco.com

CHIEF OPERATING OFFICER

Mr. Ramesh Chander Khanna

CHIEF FINANCIAL OFFICER

Mr. Manish Dhariwal
(*Upto 5th July, 2019*)

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mrs. Sonia Bhandari

AUDITORS

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

BANKERS

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

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited
Noble Height, 1st Floor, Plot NH2, C-I, Block LSC,
Near Savitri Market, Janakpuri, New Delhi-110058

BOARD OF DIRECTORS

MR. AJAY KUMAR JAIN

Chairman and Managing Director

MR. ABHISHEK JAIN

Chief Executive Officer and Managing Director

MR. BHUWAN KUMAR CHATURVEDI

Independent Director
Chairman
Audit Committee

MR. PRAVIN KUMAR GUPTA

Independent Director
Chairman
Nomination & Remuneration Committee
Stakeholders Relationship Committee

MR. ASHOK KUMAR JAIN

Independent Director
Chairman
Corporate Social Responsibility Committee

MRS. VINAY KUMARI JAIN

Non-Executive Director

CHAIRMAN'S MESSAGE

My dear shareholders,

First of all, I would like to thank each and everyone of you for your continuous support and good wishes. Your continued support is absolutely intrinsic for your Company's success.

The overall global economic environment has been sluggish for quite some time with the reducing growth rates and rising unemployment in most of the developed economies. The American - Chinese trade frictions, sanctions on Iran, slowing European growth, Brexit uncertainties, fluctuating oil prices, etc. are causing depressed demand, which is leading to a slower growth of GDP in most of the countries. Holistically speaking, it appears that the global economy is devoid of tailwinds.

On the national front too, things have not been bright as there was a divergence of demand due to the general elections and also due to doubts of a weak coalition government.

Our country has also been witnessing the biggest cleaning up of our financial systems. These agencies are making relentless efforts to build accountability into the whole system. They are making efforts to make all transactions, simple, transparent and bona fide. The banking and NBFC crisis, as well as, the defaults have led to reduced availability of capital and consequently a drop in the disbursement of money for the purchase of various categories of assets, goods and services. As these companies have burnt their fingers due to their liberal and easy disbursement policies of the past, they have tightened their systems to prevent further defaults. All these things have led to the reduction of economic activity and the subsequent reduction of our GDP.

On the optimistic side, our parliamentary elections have resulted in a new majority government in the centre and we are fortunate that it is being led by a strong leader who is determined to develop the country into a Five Trillion Dollar economy, in the next 5 years. This ambitious target will augur rapid development of our nation and bring a lot of opportunities to the market.

Despite the steady growth trajectory of the automotive industry for the past couple of years, currently, our industry is unable to maintain buoyancy. Our industry is witnessing a continuous drop in demand due to which the vehicle production numbers are heading south. From 1st April, 2020, the BS VI norms will be implemented. This is causing anxiety in the minds of the customers as people do not know the prices of BS VI compliant fuel or the vehicle. Many companies have announced the stoppage of diesel vehicles as compliance to these norms would lead to steep cost increases. Further,

MISSION

**TO BE A GLOBAL COMPANY
WITH AN INSPIRING WORK CULTURE
FOR SERVING CUSTOMERS AND THE SOCIETY
BY EXCEEDING THE EXPECTATIONS
OF ALL ITS STAKEHOLDERS**

there is uncertainty regarding the policy for Electric Vehicles. Considering these factors, the general sentiment in the market is feeble and this is leading to frail customer demand.

Your Company does not view these medium-term issues as problems, as these present us with an opportunity to reform and renew ourselves so as to emerge stronger when good times return. Your Company has always focused on exceeding the expectations of all stakeholders viz. customers, employees, suppliers and the society. All the functions and business process are being rejuvenated and aligned with our mission. We are constantly benchmarking ourselves with our global peers to achieve excellence in safety, product development, technology, business and management systems. In this time of adversity, internally, we are focusing on making your Company lean and externally, we are looking for new opportunities.

I am happy to inform you that this year, your Company is focussed on maximising the digitalization of all its operations. Accordingly, we have successfully completed the implementation of SAP across all our facilities. We have also successfully commenced our production at Viramgam, in Gujarat. With the start of this facility, we have established our presence in all the key passenger vehicle manufacturing hubs of our country and we are well placed to offer a one-stop shop solution to all our customers for sealing systems and injection products.

Your Company continues its focus on reducing our carbon footprint. During the year gone by, we took various initiatives including the reduction of water discharge, waste-generation reduction and use of renewable energy and in order to create a long-term sustainable Company, we have partnered with TERI.

I believe that our employees are our biggest assets and our strengths. During these difficult times, we have augmented the development of a highly capable and a result-oriented workforce and are determined to reach world-class levels.

I take pride in informing you that, this year, for the focused implementation of our CSR activities in the field of Environment, Education and Healthcare, we have registered a trust in the name of " Vinay and Ajay Jain Foundation". Our CSR mission is "to contribute towards the betterment of the local communities in which we operate, so as to uplift the marginalized sections of our society".

During the year gone by your Company sales were stagnant due to which we were able to achieve an EPS of ₹ 23.87 only which was 10% lower, than the previous year. In spite of the reduction of EPS, your Board of Directors has maintained the total dividend pay-out of ₹ 4.50 per share which is the same as that of the previous year. This dividend comes to 45% of the face value of the equity share of your Company. I am confident that your Company will be able to improve its performance, no sooner the demand for vehicles starts to move north.

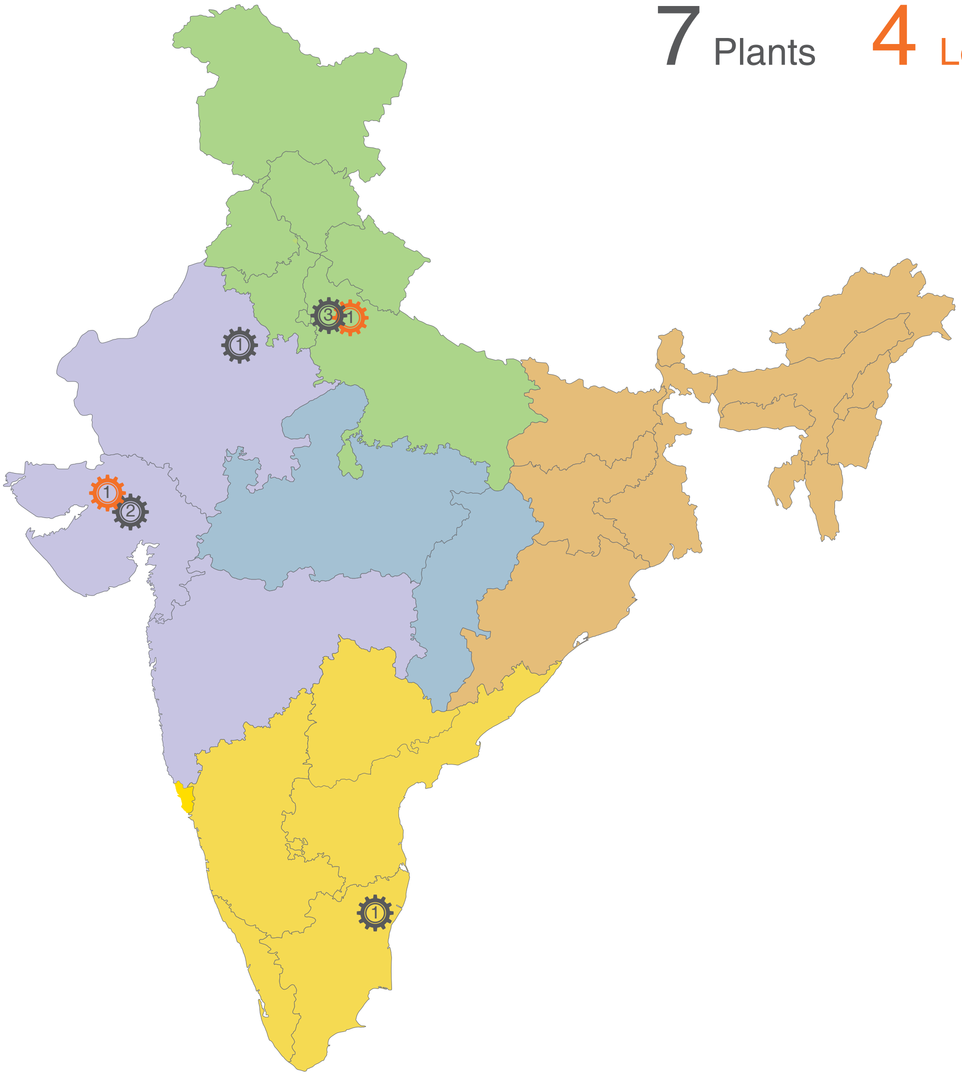
I would like to, once again, take this opportunity to express my sincere gratitude to you for your unwavering support. I also express my gratefulness to our technology partners, our bankers and our supplier partners for facilitating smooth business operations. Further, I thank all the members on our Board for their whole-hearted guidance and commitment. Last but not the least, I take this opportunity to express my appreciation to our employees and their families for their unstinted support and hard work.

I, on behalf of your Company, assure you that we will always endeavour to make a meaningful contribution for a better society and will continuously work to exceed the expectations of all our stakeholders, as well as, our shareholders.

Thank you.

Ajay Kumar Jain
Chairman & Managing Director

MANUFACTURING FACILITIES



Not to scale - for illustration purpose only

7 Plants 4 Locations 2 JV Plants

EXTRUSION FACILITIES

- Noida, Uttar Pradesh *(Plant I & II)*
- Vallam Vadagal, Tamil Nadu *(Plant V)*
- Viramgam, Gujarat *(Plant VII)*

INJECTION FACILITIES

- Surajpur, Uttar Pradesh *(Plant III)*
- Pathredi, Rajasthan *(Plant IV)*
- Viramgam, Gujarat *(Plant VI)*

RUBBER EXTRUSION FACILITIES (Joint Venture Company)

- Surajpur, Uttar Pradesh *(Plant I)*
- Viramgam, Gujarat *(Plant II)*

CUSTOMERS

MARUTI SUZUKI
HONDA
NISSAN
TOYOTA
RENAULT
HYUNDAI
Mahindra
ISUZU
GM
SUZUKI
SML ISUZU
Ford
KRISHNA
AIS
samvardhana motherson
ROKI
UNO MINDA
TS TECH Co.,Ltd.
Polyplastics
NOVARES
森六 MORIROKU
TOYOTA BOSHOKU
HWASEUNG
SAINT-GOBAIN
DAIMLER

CKD EXPORTS

JAPAN | USA | BRAZIL | MEXICO | VENEZUELA | THAILAND | UNITED KINGDOM | SOUTH AFRICA | ARGENTINA

ACCOLADES - 2019

Overall Performance Shield
By Maruti Suzuki India Limited

Silver Award for Delivery
By Honda Access India Private Limited

First Runner-Up Award in National Level Quality Circle Competition
By Honda Cars India Limited

Supplier-Gold Award
By Toyota Kirloskar Motor Private Limited

Zero PPM Award
By Toyota Kirloskar Motor Private Limited

Achieving Quality Target Award
By Toyota Kirloskar Motor Private Limited

Achieving Delivery Target Award
By Toyota Kirloskar Motor Private Limited

Zero Defect Supplies
By Toyota Kirloskar Motor Private Limited

Award for Quality
By Tata Motors Limited

Delivery Performance 2018
By Asahi India Glass Limited

Appreciation for continued support 2018
By Asahi India Glass Limited

Excellence in Plastics Award 2019
By Economic Times Polymers

PPAP AUTOMOTIVE LIMITED

CIN: L74899DL1995PLC073281
Registered Office: 54, Okhla Industrial Estate, Phase-III, New Delhi-110020
Corporate Office: B-206A, Sector-81, Phase-II, Noida-201305 (U.P.)
Tel: +91-120-2462552 / 53; Fax: +91-120-2461371
Website: www.ppapco.in; E-mail ID: investorservice@ppapco.com

NOTICE

NOTICE is hereby given that the 24th Annual General Meeting of PPAP Automotive Limited will be held on Tuesday, 03rd September, 2019 at 11:00 a.m. at M.P.C.U. Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi-110054 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements (standalone and consolidated) of the Company for the financial year ended 31st March, 2019, together with the Reports of the Board of Directors and Auditors' thereon.
2. To confirm the payment of interim dividend and to declare final dividend on equity shares for the financial year ended 31st March, 2019.
3. To appoint a Director in place of Mr. Abhishek Jain (DIN: 00137651), Chief Executive Officer and Managing Director of the Company who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

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

   "RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, the remuneration of ₹ 1,60,000 (Rupees one lacs sixty thousand only) plus applicable taxes and reimbursement of travel and out of pocket expenses as approved by the Board, to be paid to M/s Rakesh Singh & Co. (Firm Registration No. 000247), Cost Accountants, cost auditors of the Company for the financial year ended 31st March, 2020, be and is hereby ratified, confirmed and approved."

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

Place: Noida
Date: 22nd May, 2019

Sonia Bhandari
Company Secretary

NOTES:

1. **A member entitled to attend and vote at the annual general meeting (the "Meeting" or "AGM") is also entitled to appoint proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the Company.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or members(s).
2. A blank Proxy Form is enclosed with this notice and if intended to be used, the Proxy Form duly stamped and completed must be deposited at the Registered / Corporate Office of the Company not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of companies, societies etc. must be supported by appropriate resolution / authority, as applicable.
3. Members / proxies are requested to bring a copy of this notice, as no copies will be made available at the Meeting. Under no circumstances, photocopies of the admission slip will be allowed for admission into the Meeting place.
4. As a measure of economy, copies of the Annual Report will not be distributed at the Meeting place. The members are, therefore requested to bring their Annual Reports. Those members who have not received the copies of Annual Report can collect their copies from the Registered / Corporate Office of the Company.
5. Member, proxies and authorized representatives should bring their attendance slips duly filled in for attending the Meeting.
6. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
7. Corporate members intending to send their authorized representatives to attend the Meeting, are requested to submit a duly certified copy of the board resolution / power of attorney authorizing their representative to attend and vote on their behalf at the Meeting, pursuant to the provisions of Section 113 of the Companies Act, 2013.
8. Explanatory statement pursuant to the provisions of Section 102 of the Companies Act, 2013, in respect of item no. 4 of the notice is annexed hereto.
9. Details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India (ICSI) in respect of seeking re-appointment of Mr. Abhishek Jain:

Name of the Director	Mr. Abhishek Jain
Director Identification Number (DIN)	00137651
Nationality	Indian
Date of Birth and age	24/09/1981 37 years
Date of first appointment	01/12/2006
Qualification	Bachelor of Science in Industrial Engineering from Purdue University, West Lafayette, USA.
Expertise in specific functional area	Vast experience in all function of the Company including automotive industry, sales & marketing and general management.
Terms and conditions of appointment / re-appointment	Refer item no. 3 of the notice
Details of remuneration last drawn (financial year 2017-18) and sought to be paid, if applicable	₹ 268.44 lacs
No. of Board meetings attended during the financial year 2018-19	5 (five)
Relationships with other Directors, Managers and other Key Managerial Personnel	Son of Mr. Ajay Kumar Jain, Chairman & Managing Director and Mrs. Vinay Kumari Jain, Non-Executive Director
List of companies in which directorships held as on 31st March, 2019*	Nil
Chairmanship / Membership of specified committees** of the Boards of above Companies as on 31st March, 2019	Nil
No. of shares held in the Company (a) Own (b) For other persons on a beneficial basis	 10,02,404 Nil

**includes directorships held in public limited companies and excludes directorships in private limited companies, overseas companies and companies incorporated under Section 8 of the Companies Act, 2013 and of the Company.*

***for the purpose of committees of Board of Directors, only audit and stakeholders relationship committees in other public limited companies are considered.*

10. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 28th August, 2019 to Monday, 02nd September, 2019 (both days inclusive).
11. The voting shall be reckoned in proportion to the paid up equity share capital held by the members as on Tuesday, 27th August, 2019 (cut-off date). Only those members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or voting at the AGM. A person who is not a member on the cut-off date should accordingly treat this notice as for information purpose only. The voting rights for the equity shares are one vote per equity share, as registered in the name of the member.
12. Final dividend of ₹ 2.50 per equity share has been recommended by the Board of Directors, if approved by the members at the ensuing AGM, will be paid on and after Wednesday, 11th September, 2019 to those members whose names appear on the Company's Register of Members as on Tuesday, 27th August, 2019. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as at the close of business hours on Tuesday, 27th August, 2019 as per the details furnished by the Depositories, viz., National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) for the purpose as on that date. An interim dividend of ₹ 2.00 per equity share was paid on Tuesday, 06th November, 2018.
13. Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
14. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend(s). The Company or its Registrars cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the respective depository participant of the members. Members holding shares in physical form are desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend(s) are requested to write to the Company.

    Members who wish to register their e-mail id can download the 'Email-Registration Form' from the Company's website at http://ppapco.in/pdf/Email-Registration-Form.pdf.
15. The members desirous of seeking any information on the financial statements, may write to the Company at the Registered Office for the attention to the Company Secretary, at least 10 days before the Meeting, so that the required information can be made available at the Meeting.
16. All documents referred to in the accompanying notice are available for inspection at the Registered Office of the Company, on all working days between 10:00 a.m. to 01:00 p.m. upto the date of this Meeting.
17. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM. The Register of contracts or arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will also be available for inspection by the members at the AGM.
18. Pursuant to the provisions of Section 124 of the Companies Act, 2013, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') read with the relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred ₹ 2,23,798 and ₹ 1,04,886 being the unpaid and unclaimed dividend amount pertaining to Interim Dividend 2011 and Final Dividend 2011 on 13th April, 2018 and on 22nd November, 2018, respectively to the IEPF.
19. Pursuant to the provisions of IEPF Rules, all shares in respect of which dividend has not been paid or claimed for seven consecutive years shall be transferred by the Company to the designated Demat Account of the Investors Education and Protection Fund Authority ('IEPFA') within a period of thirty days of such shares becoming due to be transferred to the IEPFA.

    During the year, the Company had transferred 2,662 equity shares of ₹ 10 each to the IEPFA on which the dividend remained unpaid or unclaimed for seven consecutive years. The unclaimed shares which have been transferred, can be claimed back by the shareholders from IEPFA by following the procedure as prescribed in the IEPF Rules. The procedure is also available on website of Investors Education and Protection Fund i.e. http://iepf.gov.in/IEPF/corporates.html
20. Members may also note that the notice of the 24th AGM and the Annual Report for the year ended 31st March, 2019 are also available on the Company's website at www.ppapco.in for their download. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post, free of cost. For any communication, the members may also send requests to the Company's investor e-mail Id: investorservice@ppapco.com.
21. The route map showing directions to reach the 24th AGM venue is annexed.
22. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended, Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2 issued by the ICSI, the members are provided with the facility to cast their vote electronically, through the e-voting services provided by Link Intime India Private Limited (LIIPL), on the resolutions set forth in this notice. The Company has appointed Mr. Chetan Gupta, Practicing Company Secretary (CP No. 7077) and Partner of M/s APAC & Associates LLP, Company Secretaries, as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
23. SEBI, vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated 08th June, 2018 and amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to which after 05th December, 2018, transfer of securities could not be processed unless the securities are held in the dematerialized form with a depository. The said deadline has been extended by SEBI to 01st April, 2019. Members holding shares in physical form are requested to dematerialize their holdings at the earliest as it will not be possible to transfer shares held in physical mode as per extension of the deadline announced by SEBI.

    The instructions for members for voting electronically are as under:

    i. The voting period begins on Friday, 30th August, 2019 (10:00 a.m. IST) and ends on Monday, 02nd September, 2019 (05:00 p.m. IST). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Tuesday, 27th August, 2019, may cast their vote electronically. The e-voting module shall be disabled by LIIPL for voting thereafter.
    ii. Visit the e-voting system of LIIPL. Open web browser by typing the following URL: https://instavote.linkintime.co.in
    iii. Click on "Login" tab, available under 'Shareholders' section.
    iv. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
    v. Your User ID details are given below:
        a. **Shareholders holding shares in demat account with NSDL:** Your User ID is 8 character DP ID followed by 8 digit Client ID.
        b. **Shareholders holding shares in demat account with CDSL:** Your User ID is 16 digit Beneficiary ID.
        c. **Shareholders holding shares in physical Form (i.e. share certificate):** Your User ID is event no. + folio no. registered with the Company.
    vi. Your password details are given below:

    If you are using e-voting system of LIIPL: https://instavote.linkintime.co.in for the first time or if you are holding shares in physical form, you need to follow the steps given below:

    Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

	For shareholders holding shares in demat form or physical form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). • Members who have not updated their PAN with depository participant or in the Company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.
DOB / DOI	Enter the Date of Birth (DOB) / Date of Incorporation (DOI) as recorded with depository participant or in the Company record for the said demat account or folio number in dd/mm/yyyy format.
Dividend Bank Details	Enter the bank account number as recorded in your demat account or in the Company records for the said demat account or folio number. • Please enter the DOB / DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or Company, please enter folio number in the bank account number field as mentioned in instruction [v(c)].

If you are holding shares in demat form and had registered on to e-voting system of LIIPL: https://instavote.linkintime.co.in, and / or voted on an earlier voting of any Company then you can use your existing password to login.

If shareholders holding shares in demat form or physical form have forgotten password:

Enter User ID, select mode and enter image verification code (CAPTCHA). Click on "SUBMIT".

Incase shareholder is having valid e-mail address, password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his / her choice by providing the information about the particulars of the security question & answer, PAN, DOB / DOI, dividend bank details etc. and confirm (password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

Cast your vote electronically

vii. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select / View "Event No." of the Company, you choose to vote.

viii. On the voting page, you will see "Resolution Description" and against the same the option "Favour / Against" for voting.

a. Cast your vote by selecting appropriate option i.e. Favour / Against as desired.

b. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour / Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour / Against'.

ix. If you wish to view the entire Resolution(s) details, click on the 'View Resolutions' file link.

x. After selecting the appropriate option i.e. Favour / Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.

xi. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

xii. You can also take the printout of the votes cast by you by clicking on "Print" option on the voting page.

General guidelines for shareholders:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-voting system of LIIPL: https://instavote.linkintime.co.in and register themselves as 'Custodian / Mutual Fund / Corporate Body'.

  They are also required to upload a scanned certified true copy of the board resolution / authority letter / power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.
- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios / demat account shall choose the voting process separately for each of the folios / demat account.
- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-voting manual available at https://instavote.linkintime.co.in, under "Help" section or write an e-mail to enotices@linkintime.co.in or call us: 022-49186000.

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

ITEM NO. 4

The Board of Directors, on the recommendation of audit committee, at their meeting held on 22nd May, 2019, approved the appointment and remuneration of M/s Rakesh Singh & Co. (Firm Registration No. 000247), Cost Accountants, to conduct the audit of the cost records of the Company for the financial year 2019-20.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditors has to be ratified by the members of the Company.

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

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

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

DIRECTORS' REPORT

Dear Members,

PPAP Automotive Limited

Your Directors have pleasure in presenting the Twenty Fourth Annual Report of your Company along with the audited standalone and consolidated financial statements and the auditors' report thereon for the year ended 31st March, 2019.

Financial highlights and state of Company's affairs

(₹ in lacs)

Particulars	For the year ended			
	Standalone		Consolidated	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Revenue from operations (net of excise)	41,098.04	39,762.33	41,098.04	39,762.33
Other income	107.06	258.56	107.06	258.56
Profit / (loss) before depreciation, finance costs, exceptional items and tax expense	7,827.02	8,746.46	7,859.24	8,746.46
Less: depreciation / amortization / impairment	2,599.53	2,598.96	2,599.53	2,598.96
Profit / (loss) before finance costs, exceptional items and tax expense	5,227.49	6,147.50	5,259.71	6,147.50
Less: finance costs	404.71	442.39	404.71	442.39
Profit / (loss) before tax expense	4,822.78	5,705.11	4,855.01	5,705.11
Less: tax expense (current & deferred)	1,481.15	1,963.94	1,481.15	1,963.94
Profit / (loss) for the year	3,341.63	3,741.17	3,373.85	3,931.05
Total comprehensive income / (loss)	(42.44)	6.55	(42.82)	11.39
Total	3,299.19	3,747.72	3,331.03	3,942.44

Pursuant to the provisions of Regulation 33 of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, the consolidated financial statements of the Company for the financial year 2018-19 have been prepared in compliance with applicable Indian Accouting Standards (Ind AS) and on the basis of audited financial statements of the Company, joint venture and associate companies, as approved by the respective board of directors of the companies.

The consolidated financial statements together with the auditors' report form part of this annual report.

Dividend

During the financial year 2018-19, your Company declared and paid to the shareholders, an interim dividend of ₹ 2.00 (Rupees two only) per equity share (20%) of face value of ₹ 10 (Rupees ten) each. An amount of ₹ 57.57 lacs was paid as dividend distribution tax on the interim dividend.

The Board of Directors of the Company are pleased to recommend a final dividend of ₹ 2.50 (Rupees Two and fifty paisa only) per equity share (25%) of face value of ₹ 10 (Rupees ten) each for approval of the shareholders at the ensuing Annual General Meeting (AGM). On approval, the total dividend (interim and final) for the financial year 2018-19 will be ₹ 4.50 (Rupees Four and fifty paisa only) per equity share (45%) of the face value of ₹ 10 (Rupees ten) each as against the total dividend of ₹ 4.50 (Rupees Four and fifty paisa only) per equity share of the face value of ₹ 10 (Rupees ten) paid for the previous financial year 2017-18. The dividend outflow of ₹ 421.25 lacs including dividend distribution tax of ₹ 71.25 lacs for the financial year 2018-19.

Transfer to reserves

During the year under review, no amount has been transfered to general reserve for the financial year 2018-19.

Share capital

During the year ended 31st March, 2019 there was no change in the issued and subscribed capital of the Company. The issued, subscribed and paid-up share capital of the Company stood at ₹ 14,00,00,000 comprising of 1,40,00,000 equity shares of ₹ 10 each as on 31st March, 2019.

Share capital audit as per SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 is conducted on a quarterly basis by N.K.J. & Associates, Company Secretaries. The share capital audit reports are duly forwarded to stock exchanges where the securities of the Company are listed.

Deposits

Your Company has not accepted any deposit within the meaning of provisions of Chapter V of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 for the year ended 31st March, 2019.

Technical collaboration

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

The technology partners of your Company have extended their continuous support in terms of new product development, innovations, design, latest technology, quality, productivity, etc. as per the needs of your Company.

Extract of annual return

The details forming part of the extract of the Annual Return as on 31st March, 2019 in form MGT-9 in accordance with Section 92(3) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, annexed as "Annexure-A" to this report.

Meetings of the Board of Directors

The Board of Directors met five times during the financial year 2018-19, the details of which are given in the corporate governance report that forms part of this annual report. The intervening gap between any two meetings was in compliance with the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Audit committee

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

The details of composition of the audit committee, its terms of reference and the number of meetings held during the year under review, are given in the corporate governance report.

The corporate governance report has been detailed in a separate section and is attached separately to this annual report.

Directors and key managerial personnel

Mr. Ajay Kumar Jain (DIN: 00148839) is on the Board of the Company since 18th October, 1995 as Managing Director and was also appointed as Chairman of the Company on 10th February, 2014. Mr. Ajay Kumar Jain, as Chairman & Managing Director has re-appointed for another tenure of five years with effect from 01st November, 2018 upto 31st October, 2023, by the shareholders at the 23rd AGM of the Company held on 23rd August, 2018.

Pursuant to the provisions of the Companies Act, 2013, Mr. Bhuwan Kumar Chaturvedi (DIN: 00144487) has been re-appointed as a Non-Executive Independent Director for another term of five consecutive years, from 26th December, 2018 upto 25th December, 2023, by the shareholders at 23rd AGM of the Company held on 23rd August, 2018.

Pursuant to the provisions of the Companies Act, 2013, Mr. Pravin Kumar Gupta (DIN: 06491563) has been re-appointed as a Non-Executive Independent Director for another term of five consecutive years, from 01st April, 2019 upto 31st March, 2024, by the shareholders at 23rd AGM of the Company held on 23rd August, 2018.

Pursuant to the provisions of the Companies Act, 2013, Mr. Ashok Kumar Jain (DIN: 06881412) has been re-appointed as a Non-Executive Independent Director for another term of five consecutive years, from 27th May, 2019 upto 26th May, 2024, by the shareholders at 23rd AGM of the Company held on 23rd August, 2018.

In accordance with the provisions of the Companies Act, 2013 and in terms of Articles of Association of the Company, Mr. Abhishek Jain (DIN: 00137651), Chief Executive Officer and Managing Director (CEO & MD) of the Company will retire by rotation at the ensuing AGM of the Company. He is being eligible, has offered himself for re-appointment as a Director.

Brief profile of Mr. Abhishek Jain (DIN: 00137651), CEO & MD, seeking re-appointment is given in the corporate governance report attached to this report and the other details as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, are given in the notice of 24th AGM.

Declaration by Independent Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year, Independent Directors of the Company had no pecuniary relationship or transactions with the Company other than sitting fees incurred by them for the purpose of attending Board and Committee meetings.

The terms and conditions of appointment of the Independent Directors are placed on the website of the Company under the link:http://ppapco.in/Template-of-Letters-of-Appointment-to-Independent-Directors.pdf.

Credit rating

During the year under review, the credit rating agency CRISIL has reaffirmed the credit rating of your Company on 11th September, 2018:

Long term bank loan facilities	CRISIL A+ / Stable
Short term bank loan facilities	CRISIL A1

Directors' responsibility statement

In terms of and pursuant to Section 134(3)(c) of the Companies Act, 2013, as amended from time to time, in relation to the financial statements for the year ended 31st March, 2019, to the best of their knowledge and belief your Directors confirm the following:

i. that in the preparation of annual financial statements for the financial year ended 31st March, 2019, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;

ii. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a "true and fair view" of the state of affairs of the Company as at 31st March, 2019 and of the profit and loss of the Company for the financial year ended 31st March, 2019;

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 financial statements for the financial year ended 31st March, 2019 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.

Compliance with secretarial standards

Your Company has complied with the applicable Secretarial Standards issued by the Institute of Companies Secretaries of India (SS-1 and SS-2) respectively relating to meetings of the board of directors and general meeting.

Evaluation of the Board's performance / effectiveness

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has carried out annual evaluation of its own performance, Directors, Chairman and its Committees. The manner in which the evaluation has been carried out has been explained in the corporate governance report attached to this report.

Nomination and remuneration policy

The remuneration paid to the Directors is in accordance with the nomination and remuneration policy formulated in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

The Company has amended the nomination and remuneration policy to align it with SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 in this regard.

The salient aspects covered in the nomination and remuneration policy have been given hereunder:

In accordance with the nomination and remuneration policy, the nomination and remuneration committee has, *inter alia*, the following responsibilities:

1. Ensure appropriate induction and training program: The committee shall ensure that there is an appropriate induction and training program in place for new directors, key managerial personnel (KMPs) and senior management personnel (SMPs) and review its effectiveness.
2. Formulating the criteria for appointment as a director: The committee shall formulate criteria and review it on an ongoing basis, for determining qualifications, skills, experience, expertise, qualities, attributes, etc. required to be a director of the Company.
3. Identify persons who are qualified to be directors / Independent directors / KMPs / SMPs: The committee shall identify persons who are qualified to become directors / independent directors / KMPs / SMPs and who satisfy the criteria laid down under the provisions of the Companies Act, 2013, Rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other enactment, for the time being in force.
4. Nominate candidates for directorships subject to the approval of the 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 the board, director, chairman and committees of the board, on an annual basis.
6. Remuneration of managing director / directors: The committee shall ensure that the tenure of executive directors and their compensation packages are in accordance with applicable laws and in line with the Company's objectives, shareholders' interests and benchmarked with the industry.
7. Review performance and compensation of non-executive independent directors: The committee shall review the performance of non-executive independent directors of the company. The committee shall ensure that the non-executive independent directors may receive remuneration by way of sitting fees for attending the meetings of Board or committee(s), thereof provided that the amount of such fees shall be subject to ceiling / limits as provided under the Companies Act, 2013 and Rules made thereunder or any other enactment, for the time being, in force.
8. Review performance and compensation of KMPs / SMPs: The committee shall ensure that the remuneration to be paid to KMPs / SMPs shall be based on their experience, qualifications and expertise 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 the insurance 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.
10. Succession plans: The committee shall address and review sufficiently in advance the succession plans in order to ensure smooth transition and maintain an ideal balance of skills, experience and expertise on the Board.

Particulars of employees

The information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) in respect of Directors / employees of the Company, annexed as "Annexure-B" to this report.

Joint ventures and associates

PPAP Automotive Chennai Private Limited has ceased to be an associate of your Company with effect from 18th February, 2019.

In accordance with Section 129(3) of the Companies Act, 2013, your Company has prepared consolidated financial statements, which forms part of this annual report. Further, a statement containing the salient features of the financial statements of our associates and joint venture in the prescribed form AOC-1, annexed as "Annexure-C" to this report which covers the financial position of associates and joint venture companies and hence not repeated here for the sake of brevity.

Corporate governance report

Your Company is committed to maintain high standards of corporate governance and adhere to the corporate governance requirements set out by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. At the Company, we constantly strive to evolve and follow up on the corporate governance guidelines and its best practices.

The compliance report on corporate governance and a certificate from M/s VLA & Associates, Company Secretaries, secretarial auditors of the Company, regarding the compliance of the conditions of corporate governance, as stipulated under Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed to this annual report.

Management discussion and analysis report

As required under Regulation 34(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed management discussion and analysis report is presented in a separate section forming part of the annual report.

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

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate and the date of the report.

Particulars of loans, guarantees and investments

During the year under review, your Company has not given any loan or guarantee which is covered under the provisions of Section 186 of the Companies Act, 2013. However, details of investments are given under note 6 of the standalone financial statements of the Company.

Related party transactions

During financial year 2018-19, all contracts / transactions entered by your Company with related parties under Section 188(1) of the Companies Act, 2013 were in the ordinary course of business and on an arm's length basis. During financial year 2018-19, your Company has not entered into any contracts / arrangements / transactions with related parties which could be considered 'material' in accordance with its policy on materiality of related party transactions. Thus, there are no transactions required to be reported in form AOC-2.

The details of the related party transactions as per Ind AS 24 are set out in note 38 to the standalone financial statements of the Company.

Auditors and Auditors' report

- **Statutory auditors**

  During the year under review, statutory auditors of the Company M/s O P Bagla & Co. has converted itself into a Limited Liability Partnership (LLP) under the provisions of the Limited Liability Partnership Act, 2008 and is now known as M/s O P Bagla & Co LLP with effect from 25th April, 2018.

  Pursuant to the provisions of Section 139(2) of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, M/s O P Bagla & Co LLP (Registration No. 000018N / N500091), Chartered Accountants, New Delhi were reappointed as the statutory auditors of the Company at the 23rd AGM of the Company held on 23rd August, 2018 for the period of five years i.e. upto the conclusion of the 28th AGM to be held in the year 2023.

  Statutory auditors' report

  The auditors' report does not contain any qualification, reservation(s) or adverse remark(s). The notes on financial statements referred to in the auditors' report are self-explanatory and do not call for further comments.

- **Secretarial auditors**

  Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules framed thereunder, M/s VLA & Associates, Company Secretaries were appointed as secretarial auditors of the Company for the financial year 2018-19.

  The secretarial audit report for the financial year 31st March, 2019 in form MR-3 is attached as "Annexure-D" to this report.

  Secretarial auditors' report

  The report of secretarial auditors is forming part of this report and does not contain any qualification(s), reservation(s) or adverse remark(s).

- **Cost auditors**

  The Board of Directors, on recommendation of the audit committee, appointed M/s Rakesh Singh & Co., Cost Accountants, (Registration No. 000247) as cost auditors to audit the cost accounts of the Company for the financial year 2019-20 in terms of the provisions of Section 148 of the Companies Act, 2013. The remuneration payable to the cost auditors is required to be ratified by the shareholders at the ensuing AGM. Accordingly, resolution ratifying the remuneration payable to M/s Rakesh Singh & Co., Cost

Accountants, (Registration No. 000247) forms a part of the notice dated 22nd May, 2019 convening the 24th AGM.

The Company had filed the cost audit report for financial year 2017-18 on 17th August, 2018, in compliance under the Companies (Cost Records and Audit) Amendment Rules, 2014.

Reporting of frauds by auditors

During the year under review, the auditors of the Company have not reported to the audit committee, under Section 143(12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers and employees.

Corporate social responsibility

Your Company has been taking initiatives under Corporate Social Responsibility (CSR) for the society at large. The Company has a well-defined policy on CSR as per the requirement of Section 135 of the Companies Act, 2013.

During the year, your Company has registered a trust in the name of "Vinay and Ajay Jain Foundation" for focused implementation of its CSR activities in the field of Environment, Education and Healthcare. Your Company thrives to constantly contribute towards the betterment of the local community in which it operates and the upliftment of the marginalised section of our society.

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

Risk management policy

The Company has established risk management framework that enables regular and active monitoring business activities for identification, assessment and mitigation of potential internal or external risks. The respective functional / business unit head(s) are entrusted with the responsibility of identifying, mitigating and monitoring of risk in their respective areas. Risk management forms an integral part of the management and is an ongoing process integrated with the operations.

The Company's risk management processes focus on ensuring that these risks are identified promptly, mitigation action plan identified and executed timely.

There are no risks which in the opinion of the Board, threaten the existence of the Company. However, some of the risks which may pose challenges are set out in the management discussion and analysis report which forms a part of this annual report.

Policy on sexual harassment of women at workplace

Your Company has in place a policy on prevention of sexual harassment at workplace. This policy is in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. As per the said policy, an internal complaints committee is also in place to redress the complaints received regarding sexual harassment.

The Company is committed to provide equal opportunities without regard to their race, caste, sex, religion, colour, nationality, disability etc. All women associates (permanent, temporary, contractual and trainees), as well as, any women visiting the Company's premises or women service providers are covered under this policy. All employees are treated with dignity with a view to maintain a work environment free of sexual harassment whether physical, verbal or psychological.

During the financial year, the Company has not received any complaint on sexual harassments. The Company has also organized workshops and awareness programs against sexual harassment.

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

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

Details on internal financial controls related to financial statements

Your Company has a robust and well embedded system of internal controls. This ensures that all assets are safeguarded and protected against loss from unauthorized use or disposition and all financial transactions are authorized, recorded and reported correctly.

The internal auditors evaluate the efficacy and adequacy of the internal control system, its compliance with operating systems and policies of the Company at all the locations of the Company. Based on the report of internal audit function, the process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions, thereon, are reported to the audit committee.

The Company has an effective and reliable internal financial control system commensurate with the nature of its business, size and complexity of its operations.

This also identifies opportunities for improvement and ensures good practices imbibed in the processes that develop and strengthen the internal financial control systems and enhance the reliability of Company's financial statements.

The audit committee reviews the internal audit plan, adequacy and effectiveness of the internal control system.

Whistle blower policy

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors have formulated whistle blower policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The whistle blower policy provides a vigil mechanism for the Director / employee to report, without fear of victimization, any unethical behavior, suspected or actual fraud, violation of the code of conduct of the Company, which are detrimental to the organization's interest and reputation. The mechanism protects whistle blower from any kind of discrimination, harassment, victimization or any other unfair employment practice.

The Directors and employees in exceptional cases have direct access to the Chairman of the audit committee. The said policy is placed on the website of the Company at www.ppapco.in.

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

The information as required under Section 134(3)(m) of the the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, annexed as "Annexure-F" to this report.

Acknowledgements

Your Directors wish to convey their appreciation to all the employees at all levels for their hard work, dedication and commitment during the year.

It has been a challenging year for the Indian economy externally as well as internally. The good news is that despite the challenges of volatile oil prices, rising interest rates and domestic uncertainties due to the impending general elections in India and slowing consumption demand, India remained the world's fastest growing economy.

Your Directors are thankful to your technology partners for sharing know how, suppliers as well as vendors, our shareholders for their assistance, business associates, banks, financial institutions for their continued support and confidence reposed in the Company.

For and on behalf of the Board

Place: Noida	**Ajay Kumar Jain**	**Abhishek Jain**
Date: 22nd May, 2019	Chairman & Managing Director	CEO & Managing Director
	DIN: 00148839	DIN: 00137651

Annexure-A to the Directors' Report

Form No. MGT-9
Extract of Annual Return as on 31st March, 2019
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN	:	L74899DL1995PLC073281
ii)	Registration Date	:	18/10/1995
iii)	Name of the Company	:	PPAP Automotive Limited
iv)	Category / sub-category of the Company	:	Company limited by shares / Indian non-Government company
v)	Address of the Registered Office and contact details	:	54, Okhla Industrial Estate, Phase-III, New Delhi-110020 Tel: +91-11-26311671
vi)	Whether listed Company (Yes / No)	:	Yes
vii)	Name, address and contact details of Registrar and Transfer Agent, if any	:	Link Intime India Private Limited Noble Heights, 1st Floor, Plot NH 2, C-1, Block LSC, Near Savitri Market, Janakpuri, New Delhi-110058 Email: delhi@linkintime.co.in Tel: +91-11-414140592 / 93 / 94

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company:

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

i) Category wise shareholding

S. No.	Category of Shareholders	Shareholding at the beginning of the year				Shareholding at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	**Shareholding of Promoter and Promoter Group**									
1	**Indian**									
(a)	Individuals / Hindu Undivided Family	55,23,365	-	55,23,365	39.453	55,27,265	-	55,27,265	39.480	0.027
(b)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(d)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Bodies Corporate	34,05,822	-	34,05,822	24.327	34,37,672	-	34,37,672	24.555	0.228
Sub	**Total (A)(1)**	**89,29,187**	**-**	**89,29,187**	**63.780**	**89,64,937**	**-**	**89,64,937**	**64.035**	**0.255**
2	**Foreign**									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Sub Total (A)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	**89,29,187**	**-**	**89,29,187**	**63.780**	**89,64,937**	**-**	**89,64,937**	**64.035**	**0.255**
B	**Public Shareholding**									
1	**Institutions**									
(a)	Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investor	2,05,057	-	2,05,057	1.465	1,02,107	-	1,02,107	0.729	(0.736)
(f)	Financial Institutions / Banks	4,054	-	4,054	0.029	32,240	-	32,240	0.231	0.202
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-
(h)	Provident Funds / Pension Funds	-	-	-	-	-	-	-	-	-
(i)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Sub Total (B)(1)	**2,09,111**	**-**	**2,09,111**	**1.494**	**1,34,347**	**-**	**1,34,347**	**0.960**	**(0.534)**

S. No.	Category of Shareholders	Shareholding at the beginning of the year				Shareholding at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2	**Central Government / State Government(s) / President of India**									
	Sub Total (B)(2)	-	-	-	-	-	-	-	-	-
3	**Non-Institutions**									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lac	20,06,731	145	20,06,876	14.335	19,12,042	140	19,12,182	13.658	(0.677)
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lac	11,43,158	-	11,43,158	8.165	12,20,652	-	12,20,652	8.719	0.554
(b)	NBFCs registered with RBI	-	-	-	-	117	-	117	0.001	0.001
(c)	Employee Trusts	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories(holding DRs)	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Trusts	45	-	45	0.000	45	-	45	0.000	-
	IEPF	2,776	-	2,776	0.020	5,138	-	5,138	0.037	0.017
	Hindu Undivided Family	1,23,327	-	1,23,327	0.881	1,51,481	-	1,51,481	1.082	0.201
	Foreign Companies	-	2,25,000	2,25,000	1.607	-	2,25,000	2,25,000	1.607	-
	Non Resident Indians (Non Repat)	22,212	-	22,212	0.159	28,261	-	28,261	0.202	0.043
	Non Resident Indians (Repat)	1,11,025	-	1,11,025	0.793	1,30,226	-	1,30,226	0.930	0.137
	Clearing Member	65,936	-	65,936	0.471	30,574	-	30,574	0.219	(0.252)
	Bodies Corporate	11,61,347	-	11,61,347	8.295	11,97,040	-	11,97,040	8.550	0.255
	Sub Total (B)(3)	**46,36,557**	**2,25,145**	**48,61,702**	**34.726**	**46,75,576**	**2,25,140**	**49,00,716**	**35.005**	**0.279**
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	**48,45,668**	**2,25,145**	**50,70,813**	**36.220**	**48,09,923**	**225,140**	**50,35,063**	**35.965**	**(0.255)**
	Total (A)+(B)	**1,37,74,855**	**2,25,145**	**1,40,00,000**	**100.000**	**1,37,74,860**	**2,25,140**	**1,40,00,000**	**100.00**	**-**
C	**Non Promoter - Non Public**									
1	Custodian / DR Holder	-	-	-	-	-	-	-	-	-
2	Employee Benefit Trust [under SEBI (Share based Employee Benefit) Regulations, 2014]	-	-	-	-	-	-	-	-	-
	Total (A)+(B)+(C)	**1,37,74,855**	**2,25,145**	**1,40,00,000**	**100.000**	**1,37,74,860**	**225,140**	**1,40,00,000**	**100.000**	**-**

ii) Shareholding of Promoters (including promoter group)

S. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change during the year
		No. of shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Ajay Kumar Jain	38,67,180	27.623	-	38,67,180	27.623	-	-
2	Abhishek Jain	10,02,404	7.160	-	10,02,404	7.160	-	-
3	Vinay Kumari Jain	5,33,890	3.814	-	5,33,890	3.814	-	-
4	Ajay Kumar Jain HUF	90,123	0.644	-	90,123	0.644	-	-
5	Rashi Jain	29,768	0.213	-	33,668	0.240	-	0.027
6	Kalindi Farms Private Limited	18,44,082	13.172	-	18,58,982	13.278	-	0.106
7	Sri Lehra Jewellers Private Limited	5,26,300	3.758	-	5,33,900	3.814	-	0.056
8	Prism Suppliers Private Limited	1,87,700	1.341	-	1,89,150	1.351	-	0.010
9	Ratnakar Dealtrade Private Limited	1,42,050	1.015	-	1,43,100	1.022	-	0.007
10	Smart Commotrade Private Limited	1,62,080	1.158	-	1,63,455	1.168	-	0.010
11	Advance Commotrade Private Limited	2,13,300	1.524	-	2,15,200	1.537	-	0.013
12	Littlestar Tradelinks Private Limited	1,88,780	1.348	-	1,91,430	1.367	-	0.019
13	Nikunj Foods Private Limited	1,41,530	1.011	-	1,42,455	1.018	-	0.007
14	*Abhishek Jain HUF	-	-	-	-	-	-	-
15	*Ajay Kumar Jain Holdings Private Limited	-	-	-	-	-	-	-
16	*Arhaan Holdings Private Limited	-	-	-	-	-	-	-
17	*Ginius Vintrade Private Limited	-	-	-	-	-	-	-
18	*Icon Vanijya Private Limited	-	-	-	-	-	-	-
19	*Elpis Infrastructure Corporation Private Limited	-	-	-	-	-	-	-
20	*Arhaan Ventures Private Limited	-	-	-	-	-	-	-
21	*Jagmata Commosales Limited	-	-	-	-	-	-	-

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

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

S. No.	Shareholders' Name	Reason	Shareholding at the beginning of the year		Cumulative shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**Ajay Kumar Jain**					
	at the beginning of the year		38,67,180	27.623	38,67,180	27.623
	at the end of the year				38,67,180	27.623
2	**Abhishek Jain**					
	at the beginning of the year		10,02,404	7.160	10,02,404	7.160
	at the end of the year				10,02,404	7.160
3	**Vinay Kumari Jain**					
	at the beginning of the year		5,33,890	3.814	5,33,890	3.814
	at the end of the year				5,33,890	3.814
4	**Rashi Jain**					
	at the beginning of the year		29,768	0.212	29,768	0.213
	04.04.2018	Transfer	1,000	0.007	30,768	0.220
	14.08.2018	Transfer	2,900	0.021	33,668	0.240
	at the end of the year				33,668	0.240
5	**Ajay Kumar Jain HUF**					
	at the beginning of the year		90,123	0.644	90,123	0.644
	at the end of the year				90,123	0.644
6	**Kalindi Farms Private Limited**					
	at the beginning of the year		18,44,082	13.172	18,44,082	13.172
	20.08.2018	Transfer	5,400	0.039	18,49,482	13.211
	24.09.2018	Transfer	7,000	0.050	18,56,482	13.261
	25.09.2018	Transfer	2,500	0.017	18,58,982	13.278
	at the end of the year				18,58,982	13.278
7	**Sri Lehra Jewellers Private Limited**					
	at the beginning of the year		5,26,300	3.759	5,26,300	3.759
	14.08.2018	Transfer	1,041	0.008	5,27,341	3.767
	20.08.2018	Transfer	2,259	0.016	5,29,600	3.783
	05.09.2018	Transfer	2,000	0.014	5,31,600	3.797
	06.09.2018	Transfer	700	0.005	5,32,300	3.802
	21.09.2018	Transfer	1,600	0.011	5,33,900	3.813
	at the end of the year				5,33,900	3.814
8	**Prism Suppliers Private Limited**					
	at the beginning of the year		1,87,700	1.341	1,87,700	1.341
	24.04.2018	Transfer	450	0.003	1,88,150	1.344
	07.09.2018	Transfer	1,000	0.007	1,89,150	1.351
	at the end of the year				1,89,150	1.351

S. No.	Shareholders' Name	Reason	Shareholding at the beginning of the year		Cumulative shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
9	**Ratnakar Dealtrade Private Limited**					
	at the beginning of the year		1,42,050	1.015	1,42,050	1.015
	26.04.2018	Transfer	350	0.002	1,42,400	1.017
	10.09.2018	Transfer	700	0.005	1,43,100	1.022
	at the end of the year				143,100	1.022
10	**Smart Commotrade Private Limited**					
	at the beginning of the year		1,62,080	1.158	1,62,080	1.158
	30.04.2018	Transfer	575	0.004	1,62,655	1.162
	11.09.2018	Transfer	800	0.006	1,63,455	1.168
	at the end of the year				1,63,455	1.168
11	**Advance Commotrade Private Limited**					
	at the beginning of the year		2,13,300	1.524	2,13,300	1.524
	25.04.2018	Transfer	900	0.006	2,14,200	1.530
	07.09.2018	Transfer	1,000	0.007	2,15,200	1.537
	at the end of the year				2,15,200	1.537
12	**Littlestar Tradelinks Private Limited**					
	at the beginning of the year		1,88,780	1.348	1,88,780	1.348
	14.08.2018	Transfer	1,750	0.013	1,90,530	1.361
	06.09.2018	Transfer	900	0.006	1,91,430	1.367
	at the end of the year				1,91,430	1.367
13	**Nikunj Foods Private Limited**					
	at the beginning of the year		1,41,530	1.011	1,41,530	1.011
	27.04.2018	Transfer	225	0.002	1,41,755	1.013
	10.09.2018	Transfer	700	0.005	1,42,455	1.018
	at the end of the year				1,42,455	1.018

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

S. No.	Shareholders' Name	Reason	Shareholding at the beginning of the year		Cumulative shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**Unatgagan Commodities Private Limited**					
	at the beginning of the year		5,04,680	3.605	5,04,680	3.605
	11.05.2018	Transfer	3,100	0.022	5,07,780	3.627
	12.10.2018	Transfer	4,007	0.029	5,11,787	3.656
	at the end of the year				5,11,787	3.656

S. No.	Shareholders' Name	Reason	Shareholding at the beginning of the year		Cumulative shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
2	**Vanaja Sundar Iyer**					
	at the beginning of the year		2,05,206	1.466	2,05,206	1.466
	08.06.2018	Transfer	44,886	0.320	2,50,092	1.786
	15.06.2018	Transfer	33,831	0.242	2,83,923	2.028
	22.06.2018	Transfer	16,077	0.115	3,00,000	2.143
	at the end of the year				3,00,000	2.143
3	**I.M. Infrastructure and Hospitality LLP**					
	at the beginning of the year		2,34,501	1.675	2,34,501	1.675
	at the end of the year				2,34,501	1.675
4	**Tokai Kogyo Co. Limited**					
	at the beginning of the year		2,25,000	1.607	2,25,000	1.607
	at the end of the year				2,25,000	1.607
5	**Rajan Rakheja**					
	at the beginning of the year		2,20,000	1.571	2,20,000	1.571
	at the end of the year				2,20,000	1.571
6	**Dolly Khanna**					
	at the beginning of the year		1,42,798	1.020	1,42,798	1.020
	25.05.2018	Transfer	(1,000)	(0.007)	1,41,798	1.013
	22.06.2018	Transfer	(500)	(0.004)	1,41,298	1.009
	30.06.2018	Transfer	(1,250)	(0.009)	1,40,048	1.000
	03.08.2018	Transfer	(500)	(0.003)	1,39,548	0.997
	31.08.2018	Transfer	(3,000)	(0.022)	1,36,548	0.975
	07.09.2018	Transfer	(1,290)	(0.009)	1,35,258	0.966
	14.09.2018	Transfer	(2,150)	(0.015)	1,33,108	0.951
	21.09.2018	Transfer	(1,035)	(0.008)	1,32,073	0.943
	29.09.2018	Transfer	(500)	(0.003)	1,31,573	0.940
	05.10.2018	Transfer	(2,000)	(0.014)	1,29,573	0.926
	07.12.2018	Transfer	(2,000)	(0.014)	1,27,573	0.912
	14.12.2018	Transfer	(1,000)	(0.008)	1,26,573	0.904
	25.01.2019	Transfer	(2,000)	(0.014)	1,24,573	0.890
	01.02.2019	Transfer	(3,000)	(0.022)	1,21,573	0.868
	08.02.2019	Transfer	(2,000)	(0.014)	1,19,573	0.854
	15.02.2019	Transfer	(2,000)	(0.014)	1,17,573	0.840
	22.02.2019	Transfer	(2,000)	(0.014)	1,15,573	0.826
	22.03.2019	Transfer	(1,000)	(0.008)	1,14,573	0.818
	29.03.2019	Transfer	(5,000)	(0.035)	1,09,573	0.783
	at the end of the year				1,09,573	0.783
7	**Satish Bansal**					
	at the beginning of the year		39,845	0.285	39,845	0.285
	30.11.2018	Transfer	38,100	0.272	77,945	0.557
	07.12.2018	Transfer	40	0.000	77,985	0.557
	04.01.2019	Transfer	2,626	0.019	80,611	0.576
	at the end of the year				80,611	0.576

S. No.	Shareholders' Name	Reason	Shareholding at the beginning of the year		Cumulative shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
8	**Nitin Tandon**					
	at the beginning of the year		63,300	0.452	63,300	0.452
	at the end of the year				63,300	0.452
9	**D Srimathi**					
	at the beginning of the year		56,724	0.406	56,724	0.406
	20.04.2018	Transfer	2,000	0.014	58,724	0.420
	27.04.2018	Transfer	1,054	0.008	59,778	0.427
	11.05.2018	Transfer	988	0.007	60,766	0.434
	18.05.2018	Transfer	500	0.004	61,266	0.438
	at the end of the year				61,266	0.438
10	**Radhe Govind Commercials Private Limited**					
	at the beginning of the year		59,183	0.423	59,183	0.423
	at the end of the year				59,183	0.423
11	**Rattan Singhania**					
	at the beginning of the year		52,000	0.371	52,000	0.371
	at the end of the year				52,000	0.371

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

S. No.	For each of the Directors of the Company and KMP	Shareholding at the beginning of the year		Date	Increase / (Decrease)	Reason	Cumulative shareholding during the year	
		No. of shares at the beginning	% of total shares of the Company				No. of shares at the beginning	% of total shares of the Company
	Directors							
1	Mr. Ajay Kumar Jain, Chairman & Managing Director	*39,57,303	28.266	-	-	-	*39,57,303	28.266
2	Mr. Abhihek Jain, CEO & Managing Director	10,02,404	7.160	-	-	-	10,02,404	7.160
3	Mrs. Vinay Kumari Jain, Non-Executive Director	5,33,890	3.814	-	-	-	5,33,890	3.814
	Other KMPs							
1	Mr. Manish Dhariwal, Chief Financial Officer	108	0.001	-	-	-	108	0.001
2	Mrs. Sonia Bhandari, Company Secretary	-	-	-	-	-	-	-

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

V. INDEBTEDNESS

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

(₹ in lacs)

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount	2,960.07	-	-	2,960.07
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	7.66			7.66
Total (i+ii+iii)	**2,967.73**	**-**	**-**	**2,967.73**
Change in Indebtedness during the financial year				
Addition	773.11	-	-	773.11
Reduction	1,273.86	-	-	1,273.86
Net Change	**500.75**	**-**	**-**	**500.75**
Indebtedness at the end of the financial year				
i) Principal amount	2,459.32	-	-	2,459.32
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2.35	-	-	2.35
Total (i+ii+iii)	**2,461.67**	**-**	**-**	**2,461.67**

VI. Remuneration of Directors and Key Managerial Personnel

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

(₹ in lacs)

S. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total
		Mr. Ajay Kumar Jain (Chairman & Managing Director)	**Mr. Abhishek Jain (CEO & Managing Director)**	
1	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	140.12	162.17	302.29
	b) Value of perquisites under Section 17(2) of Income Tax Act, 1961	27.74	0.39	28.13
	c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat equity	-	-	-
4	Commission - As % of profit - Others, specify	108.20	108.20	216.40
5	Others, please specify provident fund & other funds	-	8.28	8.28
	Performance bonus	-	-	-
	Total	**276.06**	**279.04**	**555.10**

B. Remuneration of other Directors:

I. Independent Directors:

(₹ in lacs)

Particulars of Remuneration	Name of Directors			Total
	Mr. Bhuwan Kumar Chaturvedi	Mr. Pravin Kumar Gupta	Mr. Ashok Kumar Jain	
Fee for attending board committee meetings	6.00	6.80	4.80	17.60
Commission	-	-	-	-
Others	-	-	-	-
Total	**6.00**	**6.80**	**4.80**	**17.60**

II. Other Non-Executive Director:

Particulars of Remuneration	Mrs. Vinay Kumari Jain	Total
Fee for attending board committee meetings	5.60	5.60
Commission	-	-
Others	-	-
Total	**5.60**	**5.60**

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

(₹ in lacs)

S. No.	Particulars of Remuneration	Name of the KMP		Total
		Mr. Manish Dhariwal (Chief Financial Officer)	Mrs. Sonia Bhandari (Company Secretary)	
1	Gross salary			
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	40.65	10.93	51.58
	b) Value of perquisites under Section 17(2) Income Tax Act, 1961	0.22	0.22	0.44
	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	1.22	0.54	1.76
	Performance bonus	-	-	-
	Total	**42.09**	**11.69**	**53.78**

VII. Penalties / punishment / compounding of offences (Under the Companies Act): Nil

For and on behalf of the Board

Place: Noida
Date: 22nd May, 2019

Ajay Kumar Jain
Chairman & Managing Director
DIN: 00148839

Abhishek Jain
CEO & Managing Director
DIN: 00137651

Annexure-B to the Directors' Report

Statement of Disclosure of Remuneration under Section 197 of 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 2018-19**

Name of Directors	Designation	Ration to median remuneration
Mr. Ajay Kumar Jain	Chairman & Managing Director	114.00
Mr. Abhishek Jain	Chief Executive Officer & Managing Director	115.23

ii. **The Percentage increase in remuneration each Director#, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2018-19**

Name of Employee	Designation	% increase in remuneration
Mr. Ajay Kumar Jain	Chairman & Managing Director	3.41
Mr. Abhishek Jain	Chief Executive Officer & Managing Director	3.96
Mr. Manish Dhariwal	Chief Financial Officer	9.38
Mrs. Sonia Bhandari	Company Secretary	20.02

#The Non-Executive and Independent Directors did not receive remuneration, except sitting fees for attending Board / Committee meetings, therefore, the ratio of remuneration and percentage increase are not considered for the above purpose.

iii. **The percentage increase in the median remuneration of employees in the financial year 2018-19 -** (13.70%). During the year under review, the Company has absorbed 223 contractual employees on the permanent roll. The percentage increase in the median remuneration excluding the absorbed contractual employees is 4.09%

iv. **Number of permanent employees on the rolls of the Company as on 31st March, 2019 -** 1,364 employees

v. **Average percentile increase already made in the salaries of employees other than managerial personnel in the financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration -** The median percentage increase made in the salaries of employees other than the managerial personnel was 11.21%, while the average increase in the remuneration of managerial personnel was 3.68%. The average increase every year is an outcome of the Company's market competitiveness and business performance.

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

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(2) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Companies Act 2013, the said annexure is open for inspection at the registered office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary and the same will be furnished on request.

For and on behalf of the Board

Place: Noida
Date: 22nd May, 2019

Ajay Kumar Jain
Chairman & Managing Director
DIN: 00148839

Abhishek Jain
CEO & Managing Director
DIN: 00137651

Annexure-C to the Directors' Report

Form AOC-1
(Pursuant to first proviso of Section 129(3) read with Rule 5 of Companies (Accounts) Rules, 2014)

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

Part "A": Subsidiaries
The Company does not have any subsidiary as on 31st March, 2019.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to associate companies and joint ventures.

(₹ in lacs)

S. No.	Name of Associates / Joint Ventures	*Associates		Joint Venture
		PPAP Automotive Technology Private Limited	PPAP Automotive Systems Private Limited	PPAP Tokai India Rubber Private Limited
1	Latest audited balance sheet date	31.03.2019	31.03.2019	31.03.2019
2	Date on which the associate or joint venture was associated or acquired	27.03.2015	30.09.2015	26.06.2013
3	Shares of associate / joint ventures held by the Company on the year end			
	No.	4,000	4,000	4,85,00,000
	Amount of investment in associates / joint venture	0.40	0.40	4,850.00
	Extend of holding %	40%	40%	50%
4	Description of how there is significant influence	Due to shareholding	Due to shareholding	Due to shareholding
5	Reason why the associate / joint venture is not consolidated	Not Applicable	Not Applicable	Not Applicable
6	Net worth attributable to shareholding as per latest audited balance sheet	0.05	0.14	4,881.61
7	Profit / (loss) for the year			
	i) Considered in consolidation	0.07	0.07	31.99
	ii) Not considered in consolidation	0.10	0.10	31.99

1 *Name of associates or joint ventures which are yet to commence operations.
2 During the year, the Company has sold its investment from PPAP Automotive Chennai Private Limited.

For and on behalf of the Board

Place: Noida
Date: 22nd May, 2019

Ajay Kumar Jain
Chairman & Managing Director
DIN: 00148839

Abhishek Jain
CEO & Managing Director
DIN: 00137651

Annexure-D to the Directors' Report

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019

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

To
The Members,
PPAP AUTOMOTIVE LIMITED
54, Okhla Industrial Estate,
Phase-III, Delhi-110020

Dear Sir,

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

i. The Companies Act, 2013 ('the Act') and the Rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - Not applicable during the year under review;

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 (Listing Obligations and Disclosure requirements) Regulations, 2015;

   b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - Not applicable during the year under review;

   f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable during the year under review;

   g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;

   h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable during the year under review. The shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited since the date of its listing; and

   i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable during the year under review.

vi. Other laws as applicable specifically to the Company:

   a. The Air (Prevention and Control of Pollution) Act,1981;

   b. The Water (Prevention and Control of Pollution) Act, 1974;

   c. The Environment (Protection) Act, 1986; and

   d. The 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 with respect to board and general meetings.

During the year 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 year 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.

Major decision at Board meetings and Committee meetings were carried through and recorded in the minutes. However, there was no such instance of any dissenting vote by any Director during the year under review.

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

Further, I report that during the review year, no major action having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. above have taken place.

For VLA & Associates
Company Secretaries

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

Place: Noida
Date: 22nd May, 2019

This report is to be read with my letter of even date which is annexed as "Annexure-I" and forms an integral part of this report.

Annexure-I

To
The Members,
PPAP AUTOMOTIVE LIMITED
54, Okhla Industrial Estate,
Phase-III, Delhi-110020

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

Management's Responsibility

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

Auditors' Responsibility

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

Disclaimer

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

For VLA & Associates
(Company Secretaries)

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

Place: Noida
Date: 22nd May, 2019

Annexure-E to the Directors' Report

Corporate Social Responsibility Activities

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

i) Brief outline of the Company's Corporate Social Responsibility (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.

PPAP Automotive Limited is committed to operate its business in an environment friendly and sustainable manner. The Company is meaningfully contributing towards the social and economical development of the local communities where it operates, in the fields of education, health, hygiene and environment. Our focus is on the upliftment of the economically weaker sections of our society.

Your Company through its CSR initiatives endeavors to enhance value creation for local communities, build a better and humane society, sustainable and equitable way of life for the marginalized sections of our society and raise the society's development index.

During the year, your Company has registered a trust in the name of "Vinay and Ajay Jain Foundation" for focused implementation of its CSR activities. These activities shall be guided and monitored by the CSR committee of your Company.

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
Mr. Bhuwan Kumar Chaturvedi	:	Member
Mr. Abhishek Jain	:	Member
Mrs. Vinay Kumari Jain	:	Member

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

Average net profit: ₹ 3,857.84 lacs

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

The Company is required to spend ₹ 77.15 lacs towards CSR activities.

v) Details of CSR spend for the financial year 2018-19

a. Total amount spent for the financial year : ₹ 77.18 lacs

b. Amount unspent, if any : Nil

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

S. No.	CSR project	Sector	Location	Amount outlay (budget) project wise	Amount spent on the project	Cumulative expenditure up to reporting period	Amount spent: direct or through implementing agency
1	Education / other support to under privileged children	Promoting education	Uttar Pradesh: Gautam Budh Nagar District, Karnataka: Mysore District and New Delhi	29.70	29.69	83.06	1. Direct (12.19) 2. Vinay and Ajay Jain Foundation (3.25) 3. Akshaya Patra Foundation (8.25) 4. Liltwati Sawant Charity Trust (5.00) 5. Manav Mandir Trust (1.00)

S. No.	CSR project	Sector	Location	Amount outlay (budget) project wise	Amount spent on the project	Cumulative expenditure up to reporting period	Amount spent: direct or through implementing agency
2	Health care	Development of toilets & primary health care needs	Gujarat: Ahmedabad District and Tamil Nadu: Coimbatore District	5.66	5.65	13.47	1. Direct (2.71) 2. Isha Foundation (2.94)
3	Environmental sustainability	Tree plantation	Delhi, NCR and Gujarat: Ahmedabad District	38.40	38.39	38.39	1. Direct (14.74) 2. Vinay and Ajay Jain Foundation (23.65)
	Total			**73.76**	**73.73**		
	Administrative expenses			3.45	3.45		
	Total			**77.21**	**77.18**		

vi) Responsibility statement by the CSR committee

The CSR committee confirms that the implementation and monitoring of CSR activities, is in compliance with CSR objectives and policy of the Company.

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

Place: Noida
Date: 22nd May, 2019

Ajay Kumar Jain
Chairman & Managing Director
DIN: 00148839

Ashok Kumar Jain
Chairman of CSR Committee
DIN: 06881412

Annexure-F to the Directors' Report

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

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

A. Energy conservation

i. Steps taken or impact on conservation of energy

Reduction of resources forms an integral part of the Company's continuous focus on reducing its carbon footprint on the environment. The Company continues to evaluate opportunities for improvement in reduction of grid power as well as reduction of use of diesel generators. A few initiatives taken by the Company have been listed below:

1. Implementation of Energy Management System for real time monitoring of energy usage.
2. Establishment of processes and standards for reduction of energy usage by implementation of ISO 50001 standards.
3. Implementation of renewable source of energy (solar).
4. Awareness and training to employees for consumption of energy used in various equipments.
5. Use of natural day light in maximum areas of operations.
6. Use of energy efficient LED lamps.
7. Energy efficiency-key criteria for purchase of new machinery.
8. Optimize 'use and capacity' of pumps.
9. Use of variable drive instead of fixed drive for motors.
10. Reduction and resizing of heaters.
11. Installation of solar water heater.
12. Replacement of high energy consumption pumps with energy efficient pumps.
13. Conventional ceiling fan replaced with Brush Less Direct Current fan (BLDC fan).
14. Use of automatic time switch in street lights.

Apart from energy conservation, the Company is also focusing on reduction of impact on the environment. Some initiatives taken by the Company are:

1. Waste water reduction
   a. Improvement of TDS in supplied water.
   b. Water conservation measures in toilets.
   c. Stoppage of reverse osmosis process wherever not required.
   d. Use of waste treated water for gardening and cleaning.
   e. Use of drip irrigation for gardening.
2. Green cover improvement
   a. Tree plantation inside and around the premises of the Company.
   b. Use of purifying plants inside the office and facilities.
   c. Use of solar energy.

ii. Utilizing alternate sources of energy

The Company has commissioned its 140 KW solar power project at two of its plants located in Noida, UP. During the financial year 2018-19, the solar project has generated approximately 1,83,765 units.

iii. Capital investment on energy conservation equipment

The Company has spent ₹ 90.86 lacs as capital investment on energy conservation equipment during the financial year 2018-19.

B. Technology absorption

The Company is working with the following technology partners for its technology requirements:

S. No.	Name	Country	Year	Purpose	Has the technology fully absorbed	If not, when to be absorbed
1	Tokai Kogyo Co. Limited	Japan	1989	Automotive sealing system	Yes	-
2	Nissen Chemitec Corporation	Japan	2007	Interior and exterior injection products	Yes	-
3	Tokai Kogyo Seiki Co. Limited	Japan	2015	Toolings	Yes	-

Over the years, the Company has fully absorbed the manufacturing and tooling knowhow from its technology partners. The Company is now capable of designing the products that are made by it along with the designing and manufacturing of the tools and machines required to manufacture those products. The Company has a well-established in house research and development centre which supports material evaluation as well as product evaluation. Today, the Company is well placed to offer a one-stop shop solution to its customers.

Apart from technology development, the Company focuses on improving its digital footprint by extensive use of softwares as well as new industry concepts. The Company is investing heavily in upgrading itself into a truly digital Company in the future.

The Research and Development (R&D) team of the Company is actively engaged in supporting the Company's product development process through various activities to maintain a technological edge, provide effective solutions to customers and improve internal productivity through process improvements and introduction of new cost-effective raw materials. The R&D team has carried out the following activities in the financial year 2018-19:

- Developed molding assembly roof for variable height of the channel with SUS metal insert that helped in reducing raw material usage and cost reduction;
- Development of chrome pet flim part that helped in reduction of weight of parts as well aesthetics improvement; and
- Developing 'In Mold Decoration (IMD)' process used in logo to reduce its environmental impact.

The above technologies have resulted in achieving customer delight. These initiatives have also resulted in development of new business opportunities by the Company.

Expenditure on R&D

(₹ in lacs)

Particulars	**For the year ended**	
	31st March, 2019	**31st March, 2018**
Capital expenditure	0.00	11.52
Revenue expenditure	316.75	446.19
Total	**316.75**	**457.71**
Total R&D expenditure as a % turnover	0.77	1.15

Foreign exchange earnings and outgo

(₹ in lacs)

Particulars	**For the year ended**	
	31st March, 2019	**31st March, 2018**
Foreign exchange earning	0.00	0.00
Foreign exchange outgo	6,340.19	7,243.84

For and on behalf of the Board

Place: Noida
Date: 22nd May, 2019

Ajay Kumar Jain
Chairman & Managing Director
DIN: 00148839

Abhishek Jain
CEO & Managing Director
DIN: 00137651

CORPORATE GOVERNANCE REPORT

Company's Philosophy on Corporate Governance

PPAP Automotive Limited's ("PPAP" or "Company") philosophy for corporate governance is aimed at achieving the highest standards of corporate governance, accountability, sustainability and compliance of all the laws, in the letter and spirit.

We continuously identify and implement good national, as well as, international corporate governance practices, in order to achieve global level excellence. The Company is committed to provide long term value to its shareholders, stakeholders and to our society.

The values of our Company are integrity, respect, innovation, openness, transparency, excellence, teamwork, responsibility, trust, honesty, safety and a shared sense of purpose.

Governance Structure

The Company is driven by the direction set by its Board who aligns the Company's focus on the purpose of its existence with the expectations of its shareholders, as well as, its stakeholders.

The Board along with its sub committees reviews the performance of the Company periodically and guides the management. The Board has established a framework of prudent and effective controls, which enable our risks to be assessed and managed. The Board oversees how management and the leadership team work according to the culture of the Company. The Board acts as a mentor to our management and gives valuable insights to achieve challenging results and to outperform the competition.

The leadership team of our Company percolates the directions set by the Board throughout the organization, through policy deployment, accountability and responsibility, daily work management, etc. This structure ensures that the entire organization is aligned with the common goal of challenging the status quo to achieve breakthrough results.

In line with the above, the Company has formed three tiers of corporate governance structure:

Board Leadership

PPAP is led by an effective and entrepreneurial Board. The Board defines the Company's purpose and sets the strategies to deliver superior results. The Board articulates the business model, strategies and approach to risks. It takes measures for the long-term success, value creation and future viability of the Company in light of the technological changes, environmental impacts, changing shareholders' and stakeholders' expectations etc. The Company's operational and financial performance, statutory and regulatory compliances are regularly reviewed by the Board. The Board also focuses on idea generation, opportunity identification and innovation. It identifies good and excellent practices that can make our culture healthy. The Board plays a crucial role in the engagement with the employees.

Board Committees

There are 4 committees to set the direction of the board (audit committee, stakeholders relationship committee, nomination & remuneration committee and corporate social responsibility committee). These committees are focused on reviewing the financial controls and results, audit and internal controls, compliances of various laws in letter and spirit, ensuring the highest standards of corporate governance, appointment of Directors and the leadership team and their remuneration, strategizing CSR and monitoring its progress, as well as, review of various risks associated with the operations of the Company.

Leadership Team

The Company is governed from its corporate office located at Noida. The leadership team is responsible to formulate strategies for the execution of the direction set by the Board. They are empowered to take decisions in their respective domains to discover out of the box solutions to achieve breakthrough results.

1. Board of Directors

   i) Composition of Board

   The Company has a balanced and diverse Board of Directors. The Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of corporate ethics, transparency, professionalism and disclosure, which drive the Company to excellence in performance. They take active part in the Board and Committee meetings and are committed to drive the Company's superior performance.

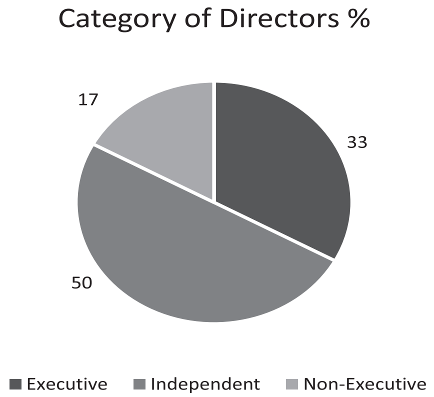
   The composition of the Board of Directors of the Company is governed by the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015. The

Board comprises of an optimum mix of Executive and Non-Executive Directors. The Board has one-woman Director and half of the Board comprises of Independent Directors.

Composition of the Board as on 31st March, 2019 is given herein below:

Composition of Board

Category of Directors	No. of Directors	% of total no. of Directors
Executive	2	33
Independent	3	50
Non-Executive	1	17
Total	**6**	**100**



The names and categories of the Directors on the Board, their attendance at Board meetings held during the year and the number of directorships and committee chairmanship(s) / membership(s) held by them in other companies as on 31st March, 2019 are given herein below:

Name of Directors	Directorship	As on 31st March, 2019		
		Directorship in other companies[(1)]	Membership and chairmanship of the committees of the Board of other companies[(2)]	
			Chairman	Member
Mr. Ajay Kumar Jain	Chairman & Managing Director	-	-	-
Mr. Abhishek Jain	Chief Executive Officer & Managing Director	-	-	-
Mr. Bhuwan Kumar Chaturvedi	Independent Director	1	1	-
Mr. Pravin Kumar Gupta	Independent Director	-	-	-
Mr. Ashok Kumar Jain	Independent Director	-	-	-
Mrs. Vinay Kumari Jain	Non-Executive Director	-	-	-

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

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

None of the Directors of your Company is a member of more than 10 committees or is the chairman of more than five committees across all the companies in which he / she is a director.

None of the Independent Directors on the Board are serving as an Independent Director in more than seven listed entities.

ii) Skill, expertise and competencies of Directors

The Board has identified the following core skill, expertise and competencies of the Directors in the context of business of the Company and which are available with the Board:

Knowledge / experience
Experience of CEO or senior management of similar industry or track record of superior results
Understanding of relevant laws, rules, regulation and policies
Sound understanding of human capital enrichment
Technical skills / experience
Administration
Financial literacy
Sales and marketing
Compliances and risk mitigation
Behavioral competencies
High ethical standards of integrity and probity
Leadership and interpersonal skills
Mentoring abilities

iii) 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 (AGM) of the Company. Mr. Abhishek Jain (DIN: 00137651), Chief Executive Officer and Managing Director, retires by rotation and being eligible, offer himself for re-appointment at the ensuing AGM.

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

Mr. Abhishek Jain (Chief Executive Officer & Managing Director)

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

He has an experience of over one and a half decades, in the automotive industry. He commenced his career in USA by working for an automotive company. Subsequently, he joined the Company in 2003. Since then, he has been managing all the operations of the Company. Currently, he is a member of the Executive Committee of the Honda Suppliers Club and the Automotive Component Manufacturers Association of India (ACMA).

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

iv) Board procedures

The Company Secretary, in consultation with the Chairman & Managing Director and CEO & Managing Director, plans the agenda of the meetings well in advance and circulates the agenda and pre-read documents to the members of the Board, within the prescribed time limit, to enable them to have sufficient time to study and take informed decisions and to facilitate meaningful and focused discussions at the meetings.

The agenda along with detailed notes are circulated 7 (seven) days before the date of the meeting(s) in a defined format in compliance with the Companies Act, 2013 and secretarial standards.

The members of the Board always have complete liberty to express their opinion and decisions are taken on the basis of consensus arrived at after detailed discussions. They are also free to bring up any matter for discussion at the Board meetings, in consultation with the Chairman.

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed, investors' queries are handled promptly and reports to the Board.

With a view to leverage technology and reducing paper consumption, each Director has been provided with tablet for the Board meetings.

The Company Secretary attends all the meetings of the Board and its Committees and is, *inter alia*, responsible for recording the minutes of the meetings of the Board and its Committees. The draft minutes of the Board and its Committees are sent to the members for their comments in compliance with the secretarial standards.

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

v) Independent Directors

The Independent Directors of the Company are individuals of eminence & repute in their respective fields and help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments, corporate governance and standards of conduct.

At the first meeting of the Board of every financial year in which Independent Directors participate as Directors, gives a declaration under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as required under Section 149(6) of the Companies Act, 2013 and as per Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, the Independent Directors fulfil the conditions specified in these Regulations and are independent of the management.

Separate meeting of Independent Directors

The Independent Directors are fully kept informed of the Company's business activities in all areas. The Independent Directors meet without the presence of Non-Independent Directors. This meeting is informal and enable the Independent Directors to interact and discuss matters including review of the performance of the Non-Independent Directors and the Board as a whole, review of the performance of the Chairman of the Company, taking into account views of Executive / Non-Executive Directors and assessing the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Independent Directors met on 08th March, 2019, at ITC Grand Chola, 63 Mount Road, Guindy, Chennai, during the financial year 2018-19.

Performance evaluation criteria of Independent Directors

The Board is undertaking a formal annual evaluation of its own performance, its Committees and individual Directors as per the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with a view to ensure that individual Directors and the Board as a whole work efficiently and effectively in achieving the Company's objectives.

During the year, the evaluation of the Board as a whole, committees and individual Directors conducted as per the internally designed evaluation process approved by the Board. The evaluation of Independent Directors was carried out by considering various parameters such as exercises independent objective of judgment during Board discussion, upholds ethical standards of integrity and probity, well informed about the Company and the external environment in which it operates, maintains high level of confidentiality, assists the Company in implementing best corporate governance practices etc.

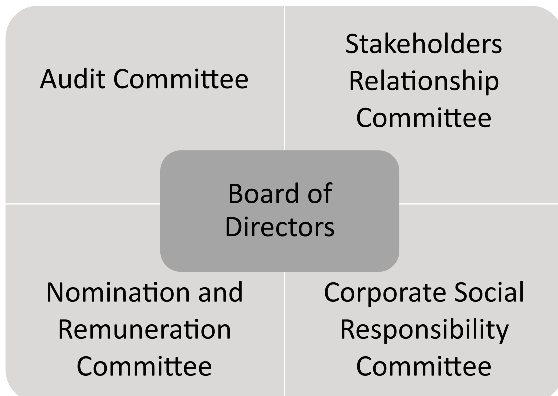
Details of Board meetings held during the year

The details of attendance at Board meetings held during the financial year 2018-19 and at 23rd AGM of the Company are as below:

Name of Directors	Attendance					
	Meeting 1 21st May, 2018	Meeting 2 02nd August, 2018	Meeting 3 23rd October, 2018	Meeting 4 11th February, 2019	Meeting 5 09th March, 2019	Last AGM 23rd August, 2018
Mr. Ajay Kumar Jain	✓	✓	✓	✓	✓	✓
Mr. Abhishek Jain	✓	✓	✓	✓	✓	✓
Mr. Bhuwan Kumar Chaturvedi	✓	✓	✓	✓	✓	✓
Mr. Pravin Kumar Gupta	✓	✓	✓	✓	✓	✓
Mr. Ashok Kumar Jain	✓	✓	✓	✓	✓	✓
Mrs. Vinay Kumari Jain	✓	✓	✓	✓	✓	✓

v) Committees of the Board

The Board has constituted a set of committees with specific terms of references and ensure expedient resolution of diverse matters and achieve objectivity. The minutes of the meetings of all committees of the Board are placed before the Board for confirmation. An organization chart depicting the relationship between the Board of Directors and the Committees as on 31st March, 2019 is given below:



Each committee of the Board is guided by its terms of reference, which defines the composition, scope and powers of the committee.

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

The Company Secretary of the Company acts as the Secretary to all the Committees.

A. Audit committee

Your Company has a duly constituted audit committee and its composition as well as charter are in line with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on 31st March, 2019, the audit committee comprised of three Non-Executive and Independent Directors and one Executive Director. Mr. Bhuwan Kumar Chaturvedi, is the Chairman of the committee.

All members of the committee are financially literate and have accounting or related financial management expertise as mandated by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Abhishek Jain (DIN: 00137651), Chief Executive Officer and Managing Director has been appointed as a member of the audit committee in place of Mr. Ajay Kumar Jain (DIN: 00148839), Chairman & Managing Director with effect from 23rd October, 2018.

The committee is governed by a charter which is in line with the regulatory requirements mandated by Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The functioning and terms of reference of the audit committee including the role, powers and duties, quorum for meeting and frequency of meetings, have been devised keeping in view the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are broadly as under:

Financials

1. Oversight of the Company's financial reporting process and financial information submitted to the stock exchanges, regulatory authorities or the public;
2. Reviewing with the management the quarterly unaudited financial statements and the auditors' limited review report thereon / audited annual financial statements and auditors' report thereon before submission to the Board for approval. This would, *inter alia*, include reviewing changes in the accounting policies and reasons for the same, major accounting estimates based on the exercise of judgment by the management, significant adjustments made in the financial statements, matters included in the Director's responsibility statement, compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other legal requirements relating to financial statements and / or recommendation, if any, made by the statutory auditors in this regard;
3. Review the management discussion and analysis of financial and operational performance;
4. Review the investments made by the Company; and
5. Review the utilization of loans and / or advances from / by investment in the subsidiary exceeding ₹ 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

Internal controls and risk management

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

Audit

1. Review the scope of the statutory auditors, the annual audit plan and the internal audit plan with a view to ensure adequate coverage;
2. Review the significant audit findings from the statutory and internal audits carried out, the recommendations and managements' response thereto;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. To discuss with the statutory auditors / internal auditors any significant difficulties encountered during the course of the audit;
5. To review annual cost audit report submitted by the cost 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;
7. To recommend the appointment, removal and terms of remuneration of the auditors; and
8. Review the appointment, removal and terms of remuneration of the chief internal auditor.

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. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

8. 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
9. To grant omnibus approval for related party transactions which are in the ordinary course of business and on an arm's length pricing basis and to review and approve such transactions subject to the approval of the Board.

Meetings, attendance & composition of the audit committee

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

The details of the audit committee meetings and attendance of the members of the committee during the financial year ended 31st March, 2019 are as below:

Name of Committee Member	Designation	Category of Director		Attendance			
		Non-Executive & Independent	Executive	Meeting 1 21st May, 2018	Meeting 2 02nd August, 2018	Meeting 3 23rd October, 2018	Meeting 4 11th February, 2019
Mr. Bhuwan Kumar Chaturvedi	Chairman	✓		✓	✓	✓	✓
Mr. Pravin Kumar Gupta	Member	✓		✓	✓	✓	✓
Mr. Ashok Kumar Jain	Member	✓		✓	✓	✓	✓
(3)Mr. Ajay Kumar Jain	Member		✓	✓	✓	✓	NA
(4)Mr. Abhishek Jain	Member		✓	NA	NA	NA	✓

(3)ceased to be a member on 23rd October, 2018

(4)appointed as a member on 23rd October, 2018

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

The chairman of the audit committee, Mr. Bhuwan Kumar Chaturvedi, was present at last AGM of the Company held on 23rd August, 2018.

The committee relies on the expertise and knowledge of the management, the internal auditors and the statutory auditors, in carrying out its oversight responsibilities. The management is responsible for the preparation, presentation and integrity of the Company's financial statements including consolidated statements, accounting and financial reporting principles. The management is also responsible for internal control over financial reporting and all procedures are designed to ensure compliance with accounting standards, applicable laws and regulations as well as for objectively reviewing and evaluating the adequacy, effectiveness and quality of the Company's system of internal controls. The recommendations of audit committee were duly accepted by the Board of Directors.

The Board of the Directors of the Company has revised the terms and references of the audit committee with effect from 01st April, 2019 to align its role as per the amendment made in SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 in this regard.

B. Nomination and Remuneration Committee

The Company has a duly constituted nomination and remuneration committee (NRC), which *inter-alia*, identifies and recommends persons who are qualified to become directors.

The NRC recommends to Board for approval, the remuneration of the Chairman & Managing Director and CEO & Managing Director. The remuneration includes basic salary, perquisites, commission etc. The remuneration are in accordance with applicable law, in line with the Company's objectives, shareholders' interests and as per the industry standards.

The NRC also has the responsibility of setting criteria for appointment of Directors, senior management and Key Managerial Personnel (KMP) of the Company, recommending appointment & remuneration policy to the Board, performance evaluation of Directors and the Board, Board diversity etc. The recommendations of NRC were duly accepted by the Board of Directors.

The committee is governed by a charter which is in line with the regulatory requirements mandated by Regulation 19(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The functioning and terms of reference of the NRC including the role, powers and duties and quorum for meeting, have been devised keeping in view the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are broadly as under:

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

Meetings, attendance & composition of the NRC

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

The details of the NRC meetings and attendance of the members of the committee during the financial year ended 31st March, 2019 are as below:

Name of Committee Member	Designation	Category of Director		Attendance		
		Non-Executive & Independent	Non-Executive	Meeting 1 21st May, 2018	Meeting 2 02nd August, 2018	Meeting 3 23rd October, 2018
Mr. Pravin Kumar Gupta	Chairman	✓		✓	✓	✓
Mr. Bhuwan Kumar Chaturvedi	Member	✓		✓	✓	✓
Mrs. Vinay Kumari Jain	Member		✓	✓	✓	✓

The Board of the Directors of the Company has revised the terms and references of the NRC with effect from 01st April, 2019 to align its role as per the amendment made in SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 in this regard.

Remuneration to the Directors

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

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

The Independent Directors were also paid sitting fees for their separate meeting held during the year.

The annual increment in salary of KMP (other than Chairman & Managing Director and CEO & Managing Director), senior management personnel and other employees are made as per Human Resource policy of the Company.

Details of remuneration paid to Executive Directors during the financial year ended 31st March, 2019:

(₹ in lacs)

Name of Directors	Salary and perquisite	Bonus	Commission	Others	Total	No. of equity shares held
Mr. Ajay Kumar Jain (Chairman & Managing Director)	167.70	0.17	108.20	-	276.07	38,67,180 90,123[(5)]
Mr. Abhishek Jain (CEO & Managing Director)	162.40	0.17	108.20	8.28	279.05	10,02,404

5)holding in the name of Ajay Kumar Jain HUF as Karta.

Details of sitting fees paid to Non-Executive Directors during the financial year ended 31st March, 2019:

(₹ in lacs)

Name of Directors	Sitting Fees	No. of equity shares held
Mr. Bhuwan Kumar Chaturvedi	6.00	-
Mr. Pravin Kumar Gupta	6.80	-
Mr. Ashok Kumar Jain	4.80	-
Mrs. Vinay Kumari Jain	5.60	5,33,890

Inter-se relationship between Directors

The Directors' inter-se relationship are as follows:

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

There are no pecuniary relationships or transactions held between the Independent Directors and the Company, other than the sitting fees drawn by the Non-Executive and Independent Directors.

C. Stakeholders Relationship Committee

Stakeholders relationship committee (SRC) looks after the share transfer work besides redressal of shareholders complaints. The Board of Directors of the Company has with a view to expediting the process of share transfers, has delegated the power to Company Secretary who resolve the requests of share transfer.

The status of member correspondences, queries, grievances etc. are endeavoured to be addressed instantaneously by the secretarial department. The recommendations of SRC were duly accepted by the Board of Directors.

The committee is governed by a charter which is in line with the regulatory requirements mandated by Regulation 20(4) read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The functioning and terms of reference of the SRC including the role, powers and duties and quorum for meeting, have been devised keeping in view the requirements of Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are broadly as under:

1. Consider and resolve the grievances of security holders of the Company, including complaints related to transfer of securities, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent; and
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.

Meetings, attendance & composition of the SRC

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

The details of the SRC meetings and attendance of the members of the committee during the financial year ended 31st March, 2019 are as below:

Name of Committee Member	Designation	Category of Director			Attendance			
		Non-Executive & Independent	Non-Executive	Executive	Meeting 1 21st May, 2018	Meeting 2 02nd August, 2018	Meeting 3 23rd October, 2018	Meeting 4 11th February, 2019
Mr. Pravin Kumar Gupta	Chairman	✓			✓	✓	✓	✓
Mr. Abhishek Jain	Member			✓	✓	✓	✓	✓
Mrs. Vinay Kumari Jain	Member		✓		✓	✓	✓	✓

Mr. Pravin Kumar Gupta, Chairman of the SRC, was present at the AGM of the Company held on 23rd August, 2018, to answer shareholders' queries.

The Board of the Directors of the Company has revised the terms and references of the SRC with effect from 01st April, 2019 to align its role as per the amendment made in SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 in this regard.

Details of investors' complaints handled by the Company and its Registrar & Share Transfer Agent during the financial year 2018-19 are as below:

Number of complaints remaining unresolved as on 01st April, 2018	Nil
Number of complaints received during the year	1
Number of complaints resolved during the year	1
Number of complaints remaining unresolved as on 31st March, 2019	Nil

All the complaints, requests and queries have been resolved to the satisfaction of the investors and no investor complaint was pending at the beginning or at the end of the year.

The Company has acted upon all valid requests for share transfer received during the year and no such transfer is pending. The Company obtains half-yearly certificate from a Company Secretary in practice confirming the issue of certificates for transfer, sub-division, consolidation etc. and submits a copy thereof to the stock exchanges in terms of Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the compliance certificate under Regulation 7(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, confirming that all activities in relation to both physical and electronic share transfer facility are maintained by Registrar and Share Transfer Agent is also submitted to the stock exchanges on a half yearly basis.

D. Corporate Social Responsibility Committee

In terms of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014 as amended, the Board of Directors have approved a Corporate Social Responsibility (CSR) Policy that strives towards welfare and sustainable development of the different segments of the community.

Your Company believes in making lasting impact towards creating a just, equitable, humane and sustainable society. The Company endeavour to continuously make focused efforts to evolve and ramp up the CSR activities in both social and environmental spheres improving the quality of life of the people in the society through its CSR endeavours. The CSR initiatives of the Company are categorized into Environment, Education and Healthcare.

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

The committee is governed by a charter which is in line with the regulatory requirements mandated under Section 135 of the Companies Act, 2013. The functioning and terms of reference of the CSR committee including the role, powers and duties and quorum for meeting, have been devised keeping in view the requirements of Section 135 of the Companies Act, 2013 are broadly as under:

1. To frame the CSR Policy and its review from time-to-time;
2. Recommend the amount of expenditure to be incurred on the CSR activities;
3. Monitor implementation and adherence to the CSR policy of the Company from time to time;

4. To ensure compliance with the laws, rules & regulations governing the CSR; and
5. Such other activities as the Board of Directors may determine from time to time.

Meetings, attendance & composition of the CSR committee

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

The details of the CSR committee meetings and attendance of the members of the committee during the financial year ended 31st March, 2019 are as below:

Name of Committee Member	Designation	Category of Director			Attendance	
		Non-Executive & Independent	Non-Executive	Executive	Meeting 1 21st May, 2018	Meeting 2 23rd October, 2018
Mr. Ashok Kumar Jain	Chairman	✓			✓	✓
Mr. Bhuwan Kumar Chaturvedi	Member	✓			✓	✓
Mrs. Vinay Kumari Jain	Member		✓		✓	✓
Mr. Abhishek Jain	Member			✓	✓	✓

2. **General body meetings**

a. **Annual General Meetings:**

Details of last three years AGMs of the Company are as under:

For the year	Venue	Day, Date & Time	Number of special resolutions
2017-18	M.P.C.U. Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi-110054	Thursday, 23rd August, 2018 at 11:30 a.m.	5
2016-17	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110003	Wednesday, 23rd August, 2017 at 10:30 A.M.	1
2015-16	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110003	Wednesday, 07th September, 2016 at 10:30 A.M.	2

b. **Postal ballot**

No special resolutions were passed through postal ballot during the financial year ended 31st March, 2019.

3. **Disclosures**

(a) **Related party transactions**

During the year, no transaction of material nature has been entered into by the Company that may in Compliance with Section 188 of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has amended a policy on related party transactions including policy on materiality of related party transactions to align it with compliance made in SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 in this regard. The policy is to regulate transactions between the Company and its related parties.

During the year, no transaction of material nature has been entered by the Company with its promoters, directors or management, subsidiary or relatives etc. that may have a potential conflict with the interests of the Company. Related party transactions with them as required under Indian Accounting Standard (Ind AS-24) are furnished under notes attached with the financial statements for the year ended 31st March, 2019.

The policy on related party transactions has been uploaded on the website of the Company and can be accessed at: https://www.ppapco.in/pdf/Related_Party_Transactions_Policy.pdf

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

The Company has complied with the requirements of the Securities and Exchange Board of India and other statutory authorities on all matters relating to capital markets during the last three years.

No penalties have been imposed or strictures passed against the Company by the stock exchanges, Securities and Exchange Board of India or any statutory authority on any matter related to capital markets during the last three years.

(c) Management discussion and analysis report

The management discussion and analysis report forms an integral part of this report and gives details of the overall industry structure, economic developments, performance of Company, awards, strategies and state of affairs of your Company's business in India and abroad, risk management systems and other material developments during the financial year under review.

(d) Disclosure of accounting treatment

The Company adopted Indian Accounting Standards as amended ("Ind AS") and accordingly the financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 and other relevant provisions of the Companies Act, 2013 and the other accounting principles generally accepted in India.

(e) Whistle blower policy (vigil mechanism)

The Company has amended the whistle blower policy for enhancing the vigil mechanism for Directors, employees and other stakeholders to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's "Code of Conduct and Ethics" in compliance with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Directors and employees are not only encouraged but required to report their genuine concerns and grievances under this policy. The vigil mechanism under the whistle blower policy provides adequate safeguard against victimization of the Directors and employees who avail of the mechanism and also provide for direct access to the chairman of the audit committee in exceptional cases.

This policy is also available on the Company's website and is accessible at https://www.ppapco.in/pdf/WHISTLE_BLOWER_POLICY.pdf.

(f) Declaration by Independent Directors

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of Section 149(7) of the Companies Act, 2013 read with the Schedules and Rules issued thereunder and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

(g) Training of Board members

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

(h) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has an internal complaints committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, to redress the complaints received regarding sexual harassment. The following is the summary of sexual harassment complaints received and disposed off during the year:

Number of complaints filed during the financial year	-
Number of complaints disposed of during the financial year	-
Number of complaints pending as on end of the financial year	-

(i) Initiatives for improving investor services

During the year, your Company took initiatives to update shareholders' KYC details (PAN and bank account) in respect of shareholders holding shares in physical form, where one or more data was not available with Registrar for payment of dividend through electronic mode.

Your Company has also issued notice to shareholders with respect to mandatory dematerialization for transfer of securities. The shareholders holding shares in physical form were requested to dematerialize their shareholding in the Company in their name at the earliest.

SEBI vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated 08th June, 2018 and Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to which after 05th December, 2018 transfer of securities could not be processed unless the securities are held in the dematerialized form with a depository. The said deadline has been extended by SEBI to 01st April, 2019.

Shareholders holding shares in physical form are requested to dematerialize their holdings at the earliest as it will not be possible to transfer shares held in physical mode as per extension of the deadline announced by SEBI.

(j) Payment of dividend through automated clearing house

The Company provides the facility for direct credit of the dividend to the shareholders' bank Account. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 also mandate companies to credit the dividend to the shareholders electronically.

Shareholders are therefore advised to avail this facility to ensure safe and speedy credit of their dividend into their bank account.

Shareholders who hold shares in demat mode should inform their depository participant, whereas shareholders holding shares in physical form should inform their updated bank account details to the Company.

(k) Foreign currency exchange rates

Foreign currency transactions are initially recorded in INR at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are reported at the exchange rates prevailing at the year end and exchange differences arising on settlement or translation are recognised in statement of profit and loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

(l) Risks associated with foreign currency fluctuations

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

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

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

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

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

The Company Secretary in practice conducts such audit in every quarter and issues a reconciliation of share capital audit certificate to this effect to the Company. A copy of such audit report is submitted to the stock exchanges, where the Company's shares are listed.

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

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

a. **The Board:** The Company has an Executive Chairman.

b. **Shareholder Rights:** The quarterly and year to date financial statements are published in newspapers and uploaded on Company's website.

c. **Modified Opinion in Auditors' Report:** The auditors have expressed an unmodified opinion on the financial statements of the Company for the financial year ended 31st March, 2019.

d. **Separate posts of Chairperson and CEO:** The positions are held by separate persons.

e. **Reporting of Internal Auditors:** Internal auditors periodically apprise the audit committee on findings / observation of internal audit and actions taken thereon.

5. Evaluation of the Board's performance

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has adopted policy to evaluate performance of each Director, the Board as a whole, its Committees and the Chairman. Evaluation is carried out by the Board, NRC and by the Independent Directors. A structured questionnaire was prepared for the Directors considering various factors for evaluation including contribution to the Board work, domain expertise, strategic vision, industry knowledge, participation, effectiveness and quality of discussions etc.

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

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

Directors were also evaluated individually by all other Directors (except the Director himself) on the parameters of his / her vigilance at the Board meetings, devotion of time and efforts to understand the Company and its business, quality in contributions at the Board meetings, application of knowledge and experience while considering the strategy, effectiveness of follow-up in the areas of concern, communication with Board members, senior management and key managerial personnel.

The Directors expressed their satisfaction with the entire evaluation process.

6. **Total fees paid to statutory auditors**

The total fees for all services paid by the Company, on a consolidated basis, to the statutory auditors and all entities in the network firm / network entity of which the statutory auditors is a part, are as follows:

(₹ in lacs)

Type of service	31st March, 2019
Audit fees	8.45
Tax fees	8.59
Others	8.78
Total	**25.82**

7. **CEO / CFO certification**

Mr. Abhishek Jain, CEO & Managing Director and Mr. Manish Dhariwal, Chief Financial Officer ('CFO') of the Company furnishes a certificate on quarterly and annual basis on financial statements of the Company in terms of Regulation 33(2)(a) and Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In terms of Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the certificate duly signed by the CEO & Managing Director and the CFO of the Company was placed before the Board, certifying the accuracy of financial statements (standalone & consolidated) and the adequacy of internal controls pertaining to financial reporting for the year ended 31st March, 2019 and is annexed to this report.

8. **Familiarization program for Independent Directors**

Familiarization program for Independent Directors form a part of the Board process. The Independent Directors are updated on an on-going basis at the Board / Committee meetings, *inter-alia*, on the following:

- Nature of the industry in which the Company operates;
- Business developments;
- Important changes in regulatory framework having impact on the Company;
- Discussion on the state of economy, preparedness for changes in emission norms etc.; and
- The manufacturing facilities of the Company at its various locations.

The Company regularly provides an overview to its Directors by way of detailed presentations by the various business & functional heads at Board meetings. Besides these, the Directors are regularly updated about Company's new projects, R&D initiatives, changes in regulatory environment and strategic direction.

The familiarization program along with details imparted to the Independent Directors during the year are available on the Company's website and is accessible at http://ppapco.in/pdf/Familiarization-program-for-Independent-Directors.pdf.

9. **Code of conduct**

The Company has amended a code of conduct for all employees including the members of the Board and senior management personnel. All members of the Board and senior management personnel have affirmed compliance with the said code of conduct for the financial year 2018-19.

The declaration to this effect signed by the CEO & Managing Director of the Company forms part of this Report.

The code of conduct for Board members and senior management can be accessed at the following link: https://www.ppapco.in/Code_of_Conduct_and_Ethics.pdf

10. **Policy for determining material subsidiaries**

The Company has amended the policy for determining material subsidiaries to align it with compliance made in SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 in this regard. At present, your Company does not have a material subsidiary.

This policy has been uploaded on the website of the Company and can be accessed at: https://www.ppapco.in/pdf/POLICY_FOR_DETERMINING_MATERIAL_SUBSIDIARIES.pdf.

11. **Code of conduct for prevention of insider trading**

Pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Company has amended the "code of internal procedures and conduct for regulating, monitoring and reporting of trading by designated persons and the code of practices and procedures for fair disclosure of unpublished price sensitive information" ("Codes").

Code of conduct has been formulated to regulate, monitor and ensure reporting of trading by the designated persons of the Company towards achieving compliance with the Regulations and is designed to maintain the highest ethical standards of trading in securities of the Company by persons to whom it is applicable. Code of conduct lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with securities of the Company and cautions them of the consequences of violations.

The Company has taken measures to create awareness about the Codes among its employees and has implemented a system of reporting details of trading in the securities of the Company by the designated persons.

12. Compliance certificate from the Practicing Company Secretaries regarding compliance of conditions of corporate governance

The certificate from the Practicing Company Secretaries regarding compliance of conditions of corporate governance is annexed and forms an integral part of this report.

13. Compliance certificate from the Practicing Company Secretaries regarding debarred or disqualified directors

The certificate from the Practicing Company Secretaries regarding debarred or disqualified directors not being appointed or continuing as directors of Company by SEBI / Ministry of Corporate Affairs or any such statutory authority. The certificate is annexed and forms an integral part of this report.

14. Unclaimed securities suspense account

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

Particulars	Number of shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account as on 01st April, 2018.	29	1,732
Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year.	1	45
Number of shareholders and aggregate number of shares transferred to the unclaimed suspense account during the year.	-	-
Aggregate number of shareholders and outstanding shares in the suspense account lying as on 31st March, 2019.	28	1,687

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time) ("Rules"), if a shareholder does not claim the dividend amount for a consecutive period of seven years or more, then the shares held by him / her shall be transferred to the DEMAT Account of Investors Education and Protection Fund Authority ('IEPFA') constituted in accordance with the Rules.

The Company has transferred 5,138 equity shares with IEPFA. The details of the shareholders whose shares are transferred with IEPFA are also posted on the website of the Company i.e. www.ppapco.in. The unclaimed shares which have been transferred, can be claimed back by the shareholders from IEPFA by following the procedure as prescribed in the Rules. The procedure is also available on the website of the Company i.e. https://ppapco.in/investors-contacts.html

15. Credit rating

The Company enjoys a good reputation for its sound financial management and its ability to meet financial obligations. CRISIL, the reputed rating agency, has re-affirmed the credit rating of CRISIL A+ for the long term and CRISIL A1 for the short-term bank facilities of the Company.

16. Means of communication

The Company, from time to time and as may be required, communicates with its shareholders and investors through multiple channels of communications such as dissemination of information on the on-line portal of the stock exchanges, the annual reports and uploading relevant information on its website.

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

   Quarterly and annual financial results are published in all the editions of 'Business Standard' newspaper (English & Hindi) and ET (Gujarati).

b. **Presentations to institutional investors / analysts:** Presentations made to institutional investors or to the analysts are displayed on Company's website at www.ppapco.in.

   The Company also uploads on the BSE Listing Centre, NSE NEAPS portals and its website, details of analysts and institutional investor meetings whenever the Company's representatives attend any meeting or conference of the investors / analysts.

c. **Investors conference calls:** Every quarter, post the announcement of financial results, conference calls are held with institutional investors and analysts. These calls are addressed by the CEO & Managing Director and Chief Financial Officer. Transcripts of the calls are also posted on the website of the Company.

Details of conference calls held during the financial year ended 31st March, 2019 are as under:

S. No.	Date of announcement of financial results	Financial Results	Date of conference calls
1	21st May, 2018	Q4FY18 and FY18	22nd May, 2018
2	02nd August, 2018	Q1FY19	03rd August, 2018
3	23rd October, 2018	Q2FY19 and H1FY19	24th October, 2018
4	11th February, 2019	Q3FY19 and 9MFY19	14th February, 2019

d. **Website:** Pursuant to Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company's website www.ppapco.in contains a dedicated functional segment called 'Investors' where all the information needed by shareholders is available including information on Directors, shareholding pattern, quarterly reports, financial results, annual reports and various policies of the Company.

e. **NSE electronic application processing system (NEAPS):** NEAPS is a web-based application designed by NSE for corporates. Your Company has been regularly uploading information related to its, periodical filings *inter alia* shareholding pattern, corporate governance report and other communications on the online portal NEAPS financial results.

f. **BSE corporate compliance & listing centre:** BSE listing centre is a web-based application designed by BSE for corporates. All periodical compliance filings, *inter alia*, shareholding pattern, corporate governance report, corporate announcements, amongst others are in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 filed electronically.

g. **Annual Reports:** The Company has been sending annual reports, notices and other communications to the registered e-mail id of the shareholders. However, in case where e-mail id of a shareholder is not registered, such communications are sent physically through prescribed modes of postage.

h. **SEBI complaints redress system (SCORES):** The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of action taken reports by concerned companies and online viewing by investors of actions taken on the complaint and its status.

i. **Designated exclusive e-mail id:** The Company has designated the e-mail id investorservice@ppapco.com for investor servicing.

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

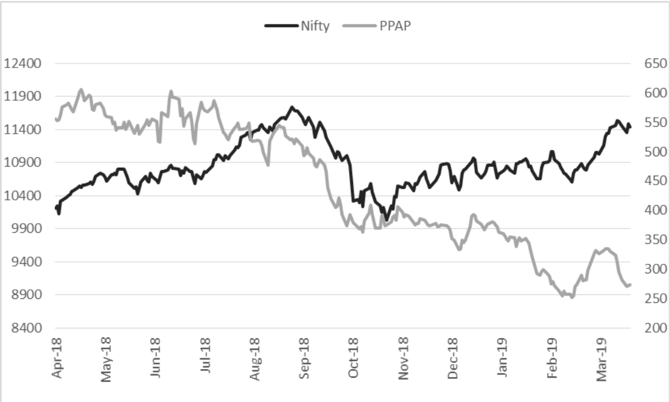
j. **A greener environment-now and for future:** The Company's philosophy focuses on making the environment greener for the benefit of posterity. To leverage technology and reducing paper consumption, the Company circulates to its Directors, notes for Board / Committee meetings though an electronic platform. Each Director has been provided with tablet for the Board meetings. Your Company encourages its shareholders to register / update the e-mail ids for communication purpose thereby contributing to the environment.

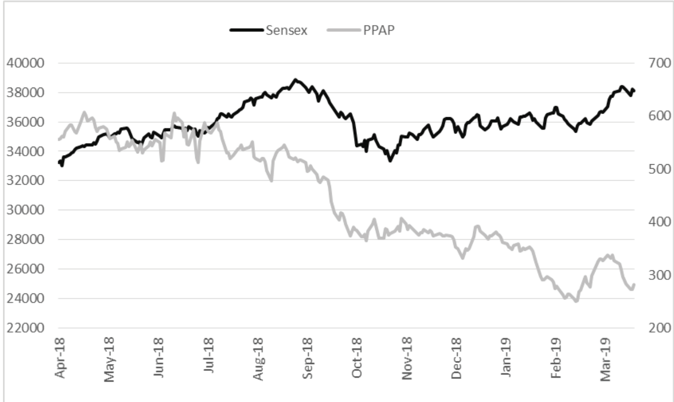
17. Shareholders' information

i)	**Annual General Meeting**		
	Day	:	Tuesday
	Date	:	03rd September, 2019
	Time	:	11:00 a.m.
	Venue	:	M.P.C.U. Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi-110054
ii)	**Financial year**	:	01st April to 31st March

iii)	**Quarterly Unaudited Financial Results**		
	Quarter ending 30th June, 2019	:	On or before 14th August, 2019
	Quarter ending 30th September, 2019	:	On or before 14th November, 2019
	Quarter ending 31st December, 2019	:	On or before 14th February, 2020
iv)	**Annual Audited Financial Results**		
	Year ending 31st March, 2020	:	On or before 30th May, 2020
v)	**Date of Book closure**	:	Wednesday, 28th August, 2019 to Monday, 02nd September, 2019
vi)	**Dividend Payment Date**		
	For interim dividend 2018-19 of ₹ 2 per equity share declared on 23rd October, 2018	:	06th November, 2018
	For final dividend 2018-19 of ₹ 2.50 per equity share recommended by the Board of Directors at its meeting held on 22nd May, 2019	:	Commencing on and after Wednesday, 11th September, 2019 (subject to approval of shareholders)
vii)	**Listing on stock exchanges**		
	NSE Exchange Plaza, Bandra Kurla Complex Bandra (E), Mumbai-400051 Tel: +91-22-26598100 / 14 Fax: +91-22-26598237 / 38 E-mail: cmlist@nse.co.in		BSE Phiroje Jeejeebhoy Towers 1st Floor, Dalal Street, Mumbai-400001 Tel: +91-22-22721233 / 34 Fax: +91-22-22721919 / 3027 E-mail: corp.relations@bseindia.com
viii)	**Stock code**		
	BSE	:	532934
	NSE	:	PPAP
	ISIN No.	:	INE095I01015
ix)	**Listing fees**		
	The Company has paid listing fees up to the financial year ended 31st March, 2020 to BSE and NSE where Company's securities are listed.		
x)	**Market price data**		
	Market price of shares on NSE and BSE during the financial year 2018-19 is as below:		

Month	**NSE**				**BSE**			
	Nifty close	**PPAP share price (₹ Per share)**			**Sensex close**	**PPAP share price (₹ Per share)**		
		High	**Low**	**Close**		**High**	**Low**	**Close**
Apr-18	10,739.35	620.00	526.15	582.60	35,160.36	614.85	531.00	580.15
May-18	10,736.15	594.00	521.30	549.70	35,322.38	590.00	517.00	550.55
Jun-18	10,714.30	617.95	510.00	547.95	35,423.48	620.00	510.00	553.10
Jul-18	11,356.50	596.90	512.20	542.55	37,606.58	597.00	511.20	543.30
Aug-18	11,680.50	559.00	473.75	519.50	38,645.07	556.80	475.00	516.30
Sep-18	10,930.45	521.95	353.50	393.35	36,227.14	523.00	388.65	396.00
Oct-18	10,386.60	420.05	351.15	391.70	34,442.05	418.00	354.95	392.35
Nov-18	10,876.75	412.50	366.00	375.40	36,194.30	413.80	369.30	374.95
Dec-18	10,862.55	404.75	328.00	380.05	36,068.33	404.80	326.65	381.65
Jan-19	10,830.95	380.90	280.05	296.70	36,256.69	382.75	280.60	293.35
Feb-19	10,792.50	304.80	249.60	282.15	35,867.44	300.65	240.40	277.65
Mar-19	11,623.90	346.00	268.05	289.25	38,672.91	347.85	270.00	286.70





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

xi)	**Compliance officer**		
	Name	:	Mrs. Sonia Bhandari
	Designation	:	Company Secretary & Compliance Officer
	Tel	:	+91-120-2462552 / 53
	Fax No.	:	+91-120-2461371
	E-mail	:	investorservice@ppapco.com
xii)	**Address of Registrar and Transfer Agent**	:	Link Intime India Private Limited Noble Heights, 1st Floor, Plot NH 2, C-11, Block LSC, Near Savitri Market, Janakpuri, New Delhi-110058 E-mail: delhi@linkintime.co.in Website: www.linkintime.co.in Tel: +91-11-41410592 / 93 / 94

xiii) Share transfer system

The Company's shares are traded in the stock exchanges compulsorily in dematerialized mode, are transferable through the depository system. To expedite the share transfer in physical segment, SRC has authorised Company Secretary to approve transfer of securities. The Company Secretary informed the status of transfer of securities to the SRC meets at periodical intervals.

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

xiv) Information of dividend

The details of due date for transfer to Investor Education and Protection Fund and unclaimed dividend as on 31st March, 2019 are as under:

Year	Type of Dividend	Dividend per share	Date of declaration	Due date for transfer to IEPF	Amount (₹)
2014-15	Final	1.00	26th September, 2015	01st December, 2022	49,176.00
2015-16	Interim	1.00	04th November, 2015	09th January, 2023	53,962.00
2015-16	Final	1.00	07th September, 2016	13th November, 2023	63,411.00
2016-17	Interim	1.25	27th October, 2016	02nd January, 2024	87,040.00
2016-17	Final	1.75	23rd August, 2017	28th October, 2024	1,08,143.00
2017-18	Interim	2.00	01st November, 2017	06th January, 2025	1,10,732.00
2017-18	Final	2.50	21st May, 2018	27th October, 2025	2,45,912.50
2018-19	Interim	2.00	23rd October, 2018	27th December, 2025	90,594.00

xv) Distribution of shareholding

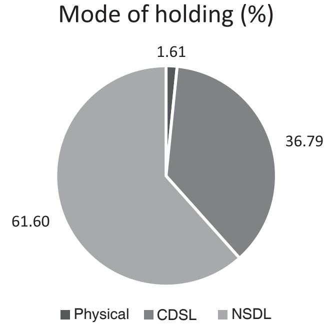
Details of category wise shareholding as on 31st March, 2019 are as below:

Categories	No. of shareholders	Percentage	No. of shares held	Percentage
1-500	17,823	96.15	12,30,279	8.79
501-1000	351	1.88	2,75,386	1.96
1001-2000	161	0.87	2,36,562	1.69
2001-3000	61	0.33	1,55,107	1.11
3001-4000	38	0.21	1,34,227	0.96
4001-5000	18	0.10	82,803	0.59
5001-10000	30	0.16	2,12,499	1.52
10001-above	55	0.30	1,16,73,137	83.38
Total	**18,537**	**100.00**	**1,40,00,000**	**100.00**

xvi) Dematerialization of shares

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

S. No.	Mode of holding	No. of shares	% of total share capital
1.	Physical	2,25,140	1.61
2.	CDSL	51,50,727	36.79
3.	NSDL	86,24,133	61.60
	Total	**1,40,00,000**	**100.00**



xvii) Details of shareholding pattern as on 31st March, 2019 are as below:

S. No.	Category	Total number of shares	% of total number of shares
A.	**Promoters & Promoters' Group**		
i	Individual / Hindu Undivided Family	55,27,265	39.48
ii	Bodies Corporate	34,37,672	24.56
Total Shareholding of Promoters & Promoters' Group (A)		**89,64,937**	**64.04**
B.	**Public Shareholding**		
i	Foreign Portfolio Investor	1,02,107	0.73
ii	Bodies Corporate	11,97,040	8.55
iii	Financial Institutions / Banks	32,240	0.23
iv	Foreign Companies	2,25,000	1.61
v	Individuals	31,32,834	22.37
vi	Others		
	Non Resident Indians	1,58,487	1.13
	IEPF Authority	5,138	0.04
	Trusts	45	0.00
	HUF	1,51,481	1.08
	Clearing Member	30,574	0.22
	NBFC	117	0.00
Total Public Shareholding (B)		**50,35,063**	**35.96**
	Total (A+B)	**1,40,00,000**	**100.00**

xviii)	**Outstanding GDR / ADR / warrants or any convertible instrument**		
	No outstanding GDR / ADR / Warrants or any convertible instrument as on 31st March, 2019.		
xix)	**Plant locations:**		
	New Delhi	**Noida - Plant I**	**Noida - Plant II**
	54 & 56, Okhla Industrial Estate, Phase-III, New Delhi-110020	B-45, Phase-II, Noida-201305, U.P.	B-206A, Sector-81, Phase-II, Noida-201305, U.P.
	Surajpur - Plant III	**Pathredi - Plant IV**	**Vallam Vadagal - Plant V**
	B-4, Site V, UPSIDC, Kasna, Surajpur Industrial Area, Greater Noida-201306, U.P.	SP3-802,R.I.A, Pathredi Industrial Area, Bhiwadi, District Alwar-301019, Rajasthan	G-24, SIPKOT Industrial Park, Vallam Vadagal, Talluk Sriperumbudur, Kancheepuram District-602105, Tamil Nadu
	Viramgam - Plant VI	**Viramgam - Plant VII**	
	Survey No. 866 (old survey no. 220), Village Ukhlod, Taluk Viramgam, Ahmedabad, Gujarat-382150	Block No. 797 (old block no. 286), Village Ukhold, Near Meladi Mata Temple, Bahucharji Road, post, Ukhlod, Taluka Viramgaum, District Ahmedabad, Gujarat-382150	
	Joint Venture Plant locations:		
	Surajpur - Plant I	**Viramgam - Plant II**	
	B-5, Site V, UPSIDC, Kasna Surajpur Industrial Area, Greater Noida-201306, U.P.	Block No. 797 (old block no. 286), Village Ukhold, Near Meladi Mata Temple, Bahucharji Road, post, Ukhlod, Taluka Viramgam, District Ahmedabad, Gujarat-382150	
xx)	**Registered office**	:	54, Okhla Industrial Estate, Phase-III, New Delhi-110020 Tel: +91-11-26311671 / 26910777
	Address for correspondence and corporate office	:	B-206A, Sector-81, Phase-II, Noida-201305, U.P. Tel: +91-120-2462552 / 53 Fax No.: +91-120-2461371 E-mail: investorservice@ppapco.com

CERTIFICATION ON FINANCIAL STATEMENTS OF THE COMPANY

The Board of Directors,
PPAP Automotive Limited

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

1. We have reviewed the financial statements and the cash flow statement of the Company for the year ended 31st March, 2019 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.

	Abhishek Jain	**Manish Dhariwal**
Date: 22nd May, 2019	CEO & Managing Director	Chief Financial Officer

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

Dear Members,
PPAP Automotive Limited

I hereby confirm that all the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the Code of Conduct of the Company during the financial year 2018-19.

Abhishek Jain
CEO & Managing Director

Date: 22nd May, 2019

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

The Members,

PPAP Automotive Limited

I have examined the compliance of regulations of Corporate Governance by PPAP Automotive Limited ("the Company") for the year ended 31st March, 2019, as stipulated in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

I state that in respect of investor grievances received during the year ended 31st March, 2019, no grievances are pending against the Company as per records maintained by the Company.

I 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: Noida
Date: 22nd May, 2019

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of PPAP Automotive Limited having CIN L74899DL1995PLC073281 and having registered office at 54, Okhla Industrial Estate, Phase-III, Delhi-110020 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub clause 10(i) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any other statutory authority:

S. No.	Name of Director	DIN	Date of appointing in Company
1	Mr. Ajay Kumar Jain	00148839	18.10.1995
2	Mr. Abhishek Jain	00137651	01.12.2006
3	Mr. Bhuwan Kumar Chaturvedi	00144487	26.12.2013
4	Mr. Pravin Kumar Gupta	06491563	08.05.2013
5	Mr. Ashok Kumar Jain	06881412	27.05.2014
6	Mrs. Vinay Kumari Jain	00228718	26.12.2013

I further state that such compliance is neither an assurance as to the future viability of the Company nor of 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: Noida
Date: 22nd May, 2019

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

Economy Overview

India remains one of the fastest growing major economies in the world. Financial year 2018-19 turned out to be a challenging year for the Indian economy. As crude prices saw a significant uptrend in the first half of the year, rising by more than 40% before retracing back during the second half. The Indian currency also saw a major depreciation in mid-year and recovered at the end of FY19.

India's GDP growth rate is pegged at 7% in FY19 and expected to grow 7.3% in FY21. Despite softer growth, the Indian economy remains one of the fastest growing and possibly the least affected by global turmoil and is expected to be among the world's top three economic powers in the next 10-15 years.

The slowdown in economy is mainly on account of the agriculture sector, which is expected to grow at a lower rate of 2.7% in the current year with respect to 5% in the previous year. The drop off also derives from the consumption side. While the recovery in private consumption remains earnest, government consumption is expected to sharply slow down to 8.9% in the current year with respect to 15% in the last year. India's GDP is expected to reach US$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitization, globalization, favorable demographics and reforms. The Government of India has launched various reforms and initiatives like Make in India and Digital India and also focusing on renewable sources to generate energy. The government is also aiming to reorient policy of agriculture, focusing from production-centric to income-centric. India has climbed 23 places and ranked at 77th among 190 countries *(Source: World Bank's Ease of Doing Business 2019 survey)*.

Investment revival remains on track in line with the trends in capacity utilization. The government's focus on ease of doing business, low-cost housing and other key infrastructure projects, development of the roads and highway which appears to have a favorable impact on the construction sector and the positive momentum is likely to continue.

Today, India is the world's seventh largest economy in real terms, backed by strong demand, positive consumption pattern and rising disposable income. The economy is expected to be among the top five global economies in terms of purchasing power parity terms by 2020.

Industry Review

Indian automotive and automotive components sector

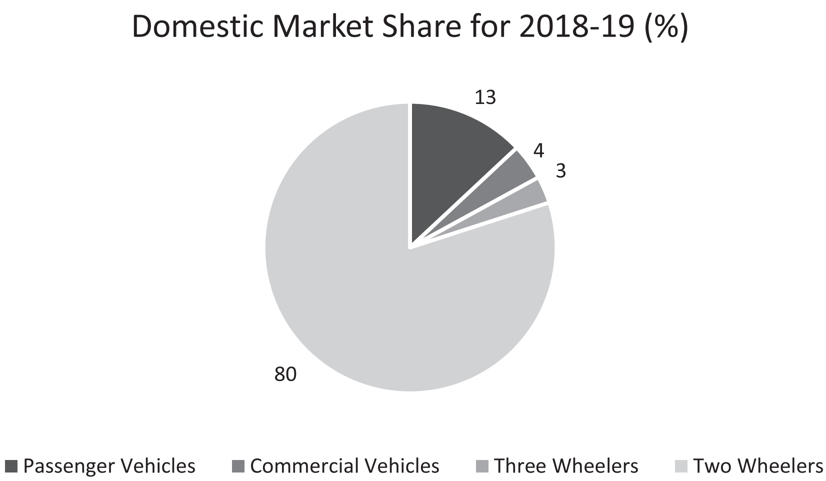
The Indian automotive industry contributes approximately 7% to the GDP of the country. The sector is a driving force behind the dramatic modernization of the Indian manufacturing industries. The industry, as a whole contributes approximately 50% of the manufacturing GDP. In the next 10 years, the automotive industry is expected to contribute 12% to the country's GDP.

India became the fourth largest automotive market in the world trailing behind China, USA and Japan. It continues to be the largest two wheeler market in the world and is expected to emerge as the world's third largest passenger vehicle (PVs) market by 2021. By 2026, Indian passenger vehicle market is expected to increase to 10 million vehicles from the current size of 4 million vehicles.

In the short term, the industry's growth in sales has been sluggish in FY19 as compared to the previous years. The industry experienced a sales growth rate of about 10% in the first half of FY19, with the second half of the year experiencing a de-growth of about 1%. The demand for vehicles was hit due to natural calamities as well as macroeconomic factors.

The performance of automotive industry was largely impacted by high fuel prices, liquidity crunch in NBFCs and long-term insurance premium regulations. Two-wheelers market also continued to stay in negative territory, with demand staying weak in both rural and urban areas.

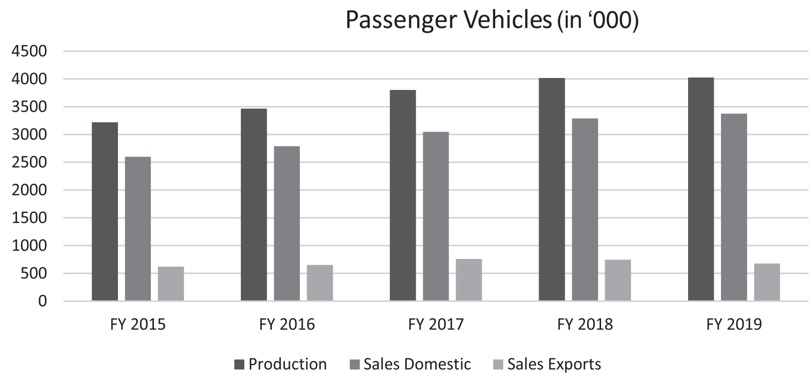
The Indian automotive industry produced a total of 30.92 million vehicles including PVs, commercial vehicles, two and three-wheelers in FY19 as against 29.07 million in the same period of FY18, registering a de-growth of 6.36% in FY19. The sale of PVs diminished by 2.70% in FY19 over the same period last year. Two-wheeler sales registered a drop off of 4.86% while the commercial vehicle segment stepdown by 17.55% year on year. Automobile exports from India has increased by 14.50% over the previous year. *(Source: SIAM)*



(Source: SIAM)

In FY19, a total of 4.02 million PVs were produced registering a minimal growth of 0.14% over the same period last year. However, the CAGR for vehicle production registered a growth of 6.96% between FY13 to FY19. *(Source: SIAM)*

The global automotive industry is undergoing a cascade of disruptions. There are lot of developments regarding reducing the emissions of a vehicle and use of cleaner technologies like electric or fuel cells etc. There is also significant development being done on the autonomous and connected cars. Apart from making the vehicles more fuel efficient, work is being done to make them safer as well.



Source: (SIAM)

In India, the government is focusing on making adoption of Electric Vehicles (EVs) easier and lucrative. The government has taken many measures to make EVs affordable under its FAME (Faster Adoption and Manufacturing of (Hybrid) and Electric Vehicles in India) scheme. The Ministry of Heavy Industries has shortlisted 11 cities in the country for introduction of EVs in their public transport systems under the FAME.

The government is also implementing stringent emission standard from 01st April, 2020. The BS-VI emission standards will be in effect whereby reducing the emission from traditional gasoline and diesel engines. The implementation of these standards has seen a major disruption for the vehicle manufacturers. While most of the manufacturers have invested in upgrading their engine technologies to meet these standards, some of them plan to change their vehicle line up including stopping production of old vehicles as well as stoppage of production of diesel engines. In short term, the demand for vehicles is likely to be effected due to the implementation of these standards.

The Indian automotive industry is expected to remain amongst the prime manufacturing sectors for the country. Favorable government policies such as Auto Policy 2002, Automotive Mission Plan 2016-2026, National Automotive Testing and R&D Infrastructure Projects (NATRiPs), have helped the Indian auto components industry to achieve considerable growth.

The rapidly globalization is opening up newer avenues for the transportation industry, especially while it makes a shift towards electric, electronic and hybrid cars, which are deemed as more efficient, safe and reliable modes of transportation. Over the next decade, this will lead to newer verticals and opportunities for auto component manufacturers.

India is emerging as global hub for auto component sourcing. The industry over the years has proved its strength in meeting the global expectations of vehicle manufacturers by continuously upgrading their products, services and know how to global levels.

Company Overview

PPAP Automotive Limited ("PPAP" or "Company") is a leading manufacturer of automotive sealing systems, interior and exterior automotive parts in India. The Company started its association with the automotive industry more than 35 years ago with the first Maruti cars being launched in the country. The Company's state of the art manufacturing facilities are located across the PVs automotive hubs in Northern, Southern and Western India. The registered office of the Company is located at New Delhi. All the facilities of the Company are equipped with the latest technology available today for polymer extrusion as well as injection molding, its areas of core competence.

The Company manufactures over 1,000 different SKUs and ships over 2,00,000 parts every day to its customers which include the Japanese OEMs, the local OEMs as well as other major OEMs in the PVs segment as well as the commercial and the two-wheelers segment.

The Company was established in 1978 for the manufacture of custom-made extrusion products, the Company commenced the automotive parts business in 1985. Over the years, PPAP has been continuously adding more and more products for its ever expanding customer base to enhance its per car contribution. The Company continuously targets to achieve zero ppm in quality and delivery performance for all its customers.

PPAP has a technical collaboration with Tokai Kogyo Co. Limited, Japan for development and manufacturing of automotive sealing systems. The relationship between both the companies started in 1989 and since then both the companies enjoy a harmonious and mutually beneficial relationship with each other.

PPAP also has a technical collaboration with Nissen Chemitec Corporation, Japan, for development and manufacture of interior and exterior injection products. The Company's technical association commenced in 2007.

PPAP also has a technical collaboration with Tokai Kogyo Seiki Co. Limited, Japan for manufacturing of tools and dies.

The Company has ventured into EPDM rubber based automotive sealing systems by establishing a Joint Venture (JV) viz. PPAP Tokai India Rubber Private Limited (PTI) with its Technology Partner Tokai Kogyo Co. Limited, Japan.

Product details

The Company's core competence is in polymer extrusion based automotive sealing systems and injection molded products. The product details are as follows:

1. **Automotive sealing products**
   a. **Plastic extrusion**

      PVC / TPO / PP (with / without metal insert) - Weather Strip Outer, Weather Strip Inner Molding Roof, Molding Windshield, Air Spoiler, Trim Door Opening, Rail Component Side Door, Sun Roof Drain Hose etc.

   b. **EPDM rubber and TPV extrusion** (Products made by Joint Venture)

      EPDM Rubber (with / without metal insert) - Trim Door Opening, Back Door Opening, Weather Strip Trunk Lid, Door Seal, Secondary seal, Hood seal, Air DAM, Seat Liners etc. TPV Extrusion-Glass Run Channel

2. **Automotive plastic injection molding products**
   a. **Interior parts**

      Door Trims, Pillar Garnishes, Lining Rear Panel, Rear Tray, Trunk Side, Tail Gate, Weather Strip Partition, Instrument Panel, Cover Engine Upper / Under, Cover ECU, Box Battery, Molding Hood, Fender Inner, Splash Guard, Duct Cooling, Fuel Pipe etc.

   b. **Exterior parts**

      Bumper, Fog Lamps Garnish, Radiator Grill Garnish, Body Side Molding, Rear Bumper Garnish, Wheel Cover, Door Sash etc.

The Company has in house design and development center for products, mold, machines & fixtures. The tools and fixtures are produced at its in house tool manufacturing faciltity. The products made by the Company are tested and validated to meet customer specifications at its in house testing and validation facility, thereby, providing customers with end-to-end solutions.

The Company is a key supplier to all the major automotive manufacturers in India. PPAP's customers profile include all the major car manufacturers like Maruti Suzuki India Limited; Honda Cars India Limited; Toyota Kirloskar Motor Private Limited; Renault Nissan Automotive India Private Limited; Tata Motors Limited; Ford India Private Limited; Mahindra and Mahindra Limited; SML Isuzu Limited; Isuzu Motors Limited, Hyundai Motor India Limited, Suzuki Motor Gujarat Private Limited, MG Motors India Private Limited and two-wheeler manufactures viz. Suzuki Motorcycles India Private Limited. The Company also caters to CKD parts export requirements of its customers. The Company also caters the requirements of their respective Tier 1 suppliers. During the year under review, the Company has expanded its customer portfolio with the addition of Volkswagen India Private Limited.

The Company's key objective is to become a global level company operating in India. This mission is enabling the Company to focus on achieving excellence in all the facets of the organization. PPAP continued its efforts to reduce waste and energy consumption in its own manufacturing processes.

The Company continuously scouts for new opportunities by the way of addition of customers and expansion of its product range to its existing customers.

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

Awards & recognition

PPAP continues its track record of superior performance with all its customers. The Company has been bestowed upon the following awards during FY19:

1. Overall Performance Shield by Maruti Suzuki India Limited;
2. Silver Award for Delivery by Honda Access India Private Limited;
3. First Runner-Up Award in National Level Quality Circle Competition by Honda Cars India Limited;
4. Supplier- Gold Award by Toyota Kirloskar Motor Private Limited;
5. Zero PPM Award by Toyota Kirloskar Motor Private Limited;
6. Achieving Quality Target Award by Toyota Kirloskar Motor Private Limited;
7. Achieving Delivery Target Award by Toyota Kirloskar Motor Private Limited;
8. Zero Defect Supplies from Toyota Kirloskar Motor Private Limited;
9. Award for Quality by Tata Motors Limited;
10. Appreciation Award by Hyundai Motor India Limited;

11. Appreciation Award for Partnership Day by Hyundai Motor India Limited;
12. Delivery Performance 2018 by Asahi India Glass Limited;
13. Appreciation for continued support 2018 by Asahi India Glass Limited; and
14. Excellence in Plastics Award 2019 by Economic Times Polymers.

Quality

The Company is IATF 16949:2016 certified Company for Quality Management System. These standards lay the foundation of a well established system which ensures that the Company achieves its Quality targets. Apart from these standards, the Company endeavors to meet all the standards and systems of its customers in order to provide them with a quality product. The Company firmly believes that offering high quality products, which are benchmarked with the best in the world, is an integral part of the total customers' satisfaction.

Outflow and occurrence prevention are the two pillars to achieve "Built in Quality". PPAP emphasis to establish non defective conditions in process by procedure controls, abnormality management, trainings and standardization. PPAP believe to develop an ownership driven work culture where quality of output is self certified by each and every team member. Another important tool is management and checking of standardized non-defective conditions so that defects are not generated. Every team member is involved in quality upgradation by implementation of Jishuken and quality circles.

Establishing non-defective process and continuously improving them is the key to produce quality product. The Company has implemented many systems like FMDS, TPS, Cell evaluation system, IQC, Pro-qac in order to continuously upgrade its operations in terms of safety, quality, cost and productivity, in order to make them globally best.

Opportunities and strengths

- **Global components sourcing hub**

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

- **Product development capabilities**

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

- **New technology**

  The industry is undergoing many disruptions in drivetrain technology as well as autonomous and connected cars. The industry is moving towards reduction of emissions by improving the efficiencies of the IC engine as well as development of alternative energy efficient modes of transportation. The drive towards the technology change requires significant investments in new capacities as well as infrastructure development. The new technologies need special promotion in form of rebates or subsidies by the government. shared mobility, as a concept, is also gaining popularity and is expected to drive significant volumes going forward. The Company's products are neutral to the engine technology and hence can be used by any auto maker.

- **Risks and concerns**

  The growth opportunity in India is attracting global OEMs to establish their operations in the country. Along with the OEM's their entire global supply chain also has started to get attracted towards the Indian market and today most of the global component suppliers are present in India. This phenomena has lead to a substantial increase in the automotive component industry which is driving superior performance by all the companies. The Indian companies which are able to upgrade their operations, in line with, global standards, will be able to secure future business with the OEMs. The companies which are not able to upgrade their management, focus on R&D, upgrading their quality and cost competitiveness and those who do not have a track record of superior performance with their customers, will find it difficult to survive in the long term. The competition will drive many associations as well as mergers and sell offs leading to consolidation and survival of overall competitive companies.

  Besides the disruptions in the industry, the government is also tightening compliances framework as well as ensuring that rules and regulations are implemented in letter as well as spirit. These compliances are also changing the way business was being done in the past and are driving global practices in the way transactions are being done.

The Company believes in strict compliances of all laws of the land, both in letter and spirit and ensures the highest governance practices are in place. The Company is also continuously investing to upgrade its products and services in order to remain attractive for the customer.

However, the following are some risks, identified to maintain the performance of the Company:

- **Raw material and supply risk**

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

- **Technology risk**

  The Company continues to be dependent on its technology partners for the products designed by them in collaboration with the global OEMs. In order to mitigate this risk, the Company is improving its R&D competence and is working on local design projects with the OEMs.

- **Regulatory change**

  The new emissions norms and the focus on cleaner engine technologies might result in a reduction of vehicles in the short term. The frequent changes in policy may also restrict investments by the global OEM's to invest in the Indian market. The growth of the industry may get impacted due to these changes.

- **Infrastructure challenges**

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

- **Availability of competent and skilled labour**

  One of the key challenges faced by the Indian automotive industry is the availability of skilled manpower to support the operations. The Company also faces regional concerns in availability of skilled manpower. The industry is making a lot of efforts in partnering with the government in introducing skill programs like JIM and technical training institutes. The Company has established in house training centers known as DOJO centers to upgrade the skills of its workforce. The Company's prime focus is on development of its human capital by extensive training focusing on development of Mind, Body and Soul.

Financial performance

Standalone

Profit and loss statement analysis

- Revenue from operations increased by 3.4% YoY to ₹ 41,098.04 lacs in FY19, on account of increase in customer's demand.
- EBITDA decreased by ₹ 767.94 lacs YoY to ₹ 7,719.96 lacs in FY19 due to increase in material cost & employee cost.
- Depreciation stood at ₹ 2,599.53 lacs in FY19 from ₹ 2,598.96 lacs in FY18.
- EBIT stood at ₹ 5,227.49 lacs in FY19 from ₹ 6,147.5 lacs in FY18.
- Finance cost decreased by ₹ 37.68 lacs to ₹ 404.71 lacs in FY19. Finance cost to net sales ratio stood at 0.9% in FY19 from 1.1% in FY18.
- The Company repaid term loan of Rs 1,000 lacs in FY19.
- PAT stood at ₹ 3,341.63 lacs in FY19.
- Earnings per share decreased by ₹ 2.85 to ₹ 23.87 in FY19.

Balance sheet analysis

- Net worth increased to ₹ 29,511.04 lacs from ₹ 26,970.67 lacs in FY19. Equity share capital remained same to ₹ 1,400 lacs whereas, reserves and surplus increased to ₹ 28,111.04 lacs from ₹ 25,570.67 lacs recorded in FY19.
- Book value per share increased to ₹ 210.79 from ₹ 192.65 in FY19.
- Net fixed assets increased by ₹ 1,668.25 lacs to ₹ 23,951.72 lacs in FY19.
- Current assets increased by ₹ 1,381.68 lacs to ₹ 11,722.14 lacs in FY19

- Borrowings decreased to ₹ 2,459.32 lacs from ₹ 2,960.07 lacs in FY19. Debt-Equity ratio stood at 0.08 times.
- Return on Net Worth (RONW) was 11.3% in FY19 as compared 13.9% in FY19.
- Return on Capital Employed (ROCE) increased to 16.4% in FY19 as compared 20.5% in FY19.

Consolidated

Profit and loss statement analysis

- PAT stood at ₹ 3,373.85 lacs as against ₹ 3,931.05 lacs in FY19.
- Earnings per share decreased to ₹ 24.10 from ₹ 28.08 in FY19.

Key financial ratios

Particulars	FY19	FY18
Debtors Turnover	7.30	7.64
Inventory Turnover	8.68	11.36
Interest Coverage Ratio	12.92	13.90
Current Ratio	1.29	1.24
Debt Equity Ratio	0.08	0.11
Operating Profit Margin	12.5%	14.8%
Net Profit Margin	8.1%	9.4%
Return on Net Worth	11.3%	13.9%

There is no significant change (i.e. change of 25% or more as compared to the immediately previous financial year) in the key financial ratios.

Internal control system and their adequacy

The Company believes that internal controls is one of the key pillars of governance. It judiciously provides freedom to the management within a framework of appropriate checks and balances.

The Company has a proper and adequate system of internal control to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that all transaction are authorized, recorded and reported correctly. The internal control system is designed to ensure that financials and other records are reliable for preparing financial information and other data and for maintaining accountability of assets.

The internal control system is supplemented by an extensive programme of internal audits, reviews by management and documented policies, guidelines and procedures. The management monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with standard operating procedures, accounting procedures and policies.

The Company has laid down transparent policies and procedures to ensure the independence and effectiveness of internal and external audit functions. The internal audit function provides assurance to the Board and management that a system of internal control is designed and deployed to manage key business risks and is operating effectively. The internal audit report is regularly placed before the audit committee of the Board. Based on the report of internal auditors, process owners undertake corrective action in their respective areas and thereby strengthening the controls continuously. Significant audit observations, if any, and corrective actions suggested and taken are presented to the audit committee of the Board. The Company is willing to take in order to achieve its long-term strategic objectives.

The Company believes that every employee has a role to play in fostering an environment in which emphasis on compliance with regulations and ethical behavior is accorded due importance. The process controls are self-evaluated and the measurement plans are laid out and monitored regularly to overcome the deficiencies as detected during self-evaluation and confirmed by the auditors.

A new ERP system i.e. SAP has been initiated in the Company, which results in better, internal, operational, financial and sustainable control.

Internal controls over financial reporting

The Company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the liability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Company's internal control over financial reporting includes those policies and procedures that:

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

b) provide reasonable assurance that transactions are recorded as necessary to permit preparations of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and Directors of the Company; and

c) provide reasonable assurance regarding or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have be a material effect on the financial statements.

Human resources

Human resource plays a pivotal role in an organization's health, its sustainability and its growth. PPAP believes in building a capable and agile workforce to achieve its business objectives. The Company motivates its employees to work according to its purpose and its values. It prepares its people for the changing market scenario, maintain its competitive edge and unleash their full potential.

The Company maintains the right capabilities across all level of the organization through different modules of learning and development programs on fundamental skills, knowledge, attitude, management and capability enhancement, etc.

PPAP has a legacy of nurturing and promoting talent from within the organization to create a healthy and vibrant work culture. The Company relies on leveraging the skills and experience of the people available within the organization. We continuously identify the capabilities for long term sustainable performance and prepare successors for the next generation. Apart from other types of employees, every year management trainees and graduate engineer trainees are inducted into the Company to take senior management posts in the future.

The Company takes initiatives like regular health check-up, visit by ayurveda doctor, conduct health awareness sessions, better food habits, yoga sessions, meditation sessions, spirituality sessions, cultural programs, etc. for the better mind and health of our employees.

Employees' safety is a major priority of the Company. Inside Company and road safety training is regularly imparted to all employees. The Company encourages the employees to participate in various safety promotional activities to shift their mind set towards safety.

The Company has channelized its communication processes so that the voice of the management reaches the last employee and the voice of the last employee, reaches to the top management. This ensures harmony, focused working and enables the Company to achieve impossible tasks.

Training and development

PPAP's basic policy for training and development is the cultivation of "Teach and be Taught" culture and to pass on this knowledge and skills to the next generation. Immediate senior plays a leading role in developing this culture. We have developed a vibrant work culture by adopting "learn, perform and drive" thinking way.

Training and development enables employees to expand their knowledge, acquire new skills, sharpen existing ones, perform better, increase productivity and become better leaders. Trainings are based on 70-20-10 principle i.e. 10% of the time of trainee goes in class room, 20% learning is supported by the coach and 70% action on projects which enable an employee to complete the learning cycle and understand the processes, in depth.

The Company imparts induction training to all fresh recruits to ensure that they work to achieve Company's goals and be a part of our journey to take the organization to new heights. Refresher training is also imparted to existing employees as per need. PPAP promotes a self-learning culture in which subordinates are encouraged to inculcate reading habits of a variety of books, reports and articles on the latest trends and global practices. Employees are encouraged to share learnings with their peers.

The Company constantly engages its employees in various other learning and development programmes like TBP projects (systematic problem-solving skills along with drive and dedication), Jishuken, Quality circle, Interplant quiz competition and Kaizens, etc. to improve work efficiency and build collective skill and intelligence.

The team members are continuously trained at the shop floor for SOP adherence, quality and technical aspects viz. Advanced Product Quality Planning, Production Part Approval Process, Failure Mode and Effects Analysis, Measurement System Analysis, Statistical Process Control, PROQAC etc., on system needs and safety. At shop floor level, a unique Ownership Development programme is practiced where high potential blue-collar employees are identified and groomed for upward mobility.

Every year PPAP sends few employees for one year training at Toyota Kirloskar Motor, Bangalore for learning Toyota Production System (TPS). The Company also sends its employees to Japan, Thailand and Indonesia for benchmarking and subsequent upgradation. Our employees also get trained at Maruti Suzuki Centre for Excellence (MACE). The Company has 'DOJO Centre' to ensure zero defects for its customers.

The Company puts special emphasis on employee communication through town hall meetings, celebration of festivals, leadership interactions and promotional activities to ensure alignment with Company's Mission.

In our mentorship programme, mentors are assigned to millennial and graduate engineers or management trainees who act as a guide to provide psychological support, career guidance, role modelling, communication, additional support, encouragement in order that they function with ease. The mentors take full responsibility for the learning and professional development of the mentees.

Environment, Health and Safety

The Company is committed to provide a safe, secure and healthy workplace. Environment, Health and Safety (EHS) is one of the primary focus area for PPAP. Safety is treated as the first step in every activity for the Company. The Company has well defined safety organization, which is responsible to carry our all safety audits, safety meetings and take necessary safety measures on the identified unsafe conditions and acts (Hiyari Hato Points) so that it cannot leads to any near miss or accident. Safety team of PPAP conducts mock drills and educates employees from time to time. The Company ensures that the safety standards and norms are adequately complied with.

The details of certifications are as follows:

Locations	ISO IATF 16949 : 2009	ISO 14001 : 2004	OHSAS 18001 : 2007	ISO 50001 : 2011
PPAP				
Plant I (Noida)	Y	Y	Y	Y
Plant II (Noida)	Y	Y	Y	Y
Plant III (Surajpur)	Y	Y	Y	Y
Plant IV (Pathredi)	Y	Y	Y	Y
Plant V (Vallam Vadagal)	Y	#	#	#
Plant VI (Viramgam)	Y	#	#	#
JV Company				
Plant I (Surajpur)	Y	#	#	#
Plant II (Viramgam)	Y	#	#	#

 # under process

PPAP is endeavour to protect the environment planet by combining the modern ways of living with a deeper understanding of nature. PPAP's continuously ensures that the environment in all its plants and surroundings nearby is safe and healthy for everyone. The Company is undertaking numerous environment management programmes and projects to minimize environment footprint, energy and water consumption as well as waste generation from manufacturing operations. The key focus areas are:

- Efforts to reduce environmental impact;
- Regulations governing waste;
- Regulations governing chemicals; and
- Pollution prevention.

Cautionary statement

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

Independent Auditors' Report

TO THE MEMBERS OF PPAP AUTOMOTIVE LIMITED

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **PPAP AUTOMOTIVE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of changes in equity for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue Recognition Revenue is recognized to the extent that economic benefit will flow to the Company and the revenue can be reliably measured. It is measured at fair value consideration received or receivable, net of returns and allowances, discounts and rebates. The Company recognizes revenue when it satisfies its performance obligation by transferring the goods to the customers. Revenue is key driver of the business and judgment is involved in determining when contractual obligations have been performed and to the extent that the right to consideration has been earned. The management of the Company focuses on revenue as a key performance measure which could create an incentive for revenue to be recognized before the risks and rewards have been transferred. We therefore identified revenue recognition as a significant risk and key audit matter.	Our audit work included, but was not restricted to: • We understood business revenue recognition policy and how they are applied, including the relevant controls, and tested controls over revenue recognition; • Analytical review of the revenue recognized over the year; • Agreeing on a sample basis amounts of revenue to customer contracts and verifying the extent, timing and customer acceptance of goods, where relevant. • We performed cut-off testing for a sample of revenue transactions around the period end date, to check that they were recognized in the appropriate period; and • We discussed key contractual arrangements with management and obtained relevant documentation, including in respect of rebate and returns arrangements. The Company's accounting policy on revenue recognition is shown in note 2.2(h) to the financial statements and related disclosures are included in note 24. Based on our audit procedures we did not identify any evidence of material misstatement in the revenue recognized for the year ended 31st March, 2019 in the standalone financial statements.

We have determined that there are no other key audit matters to communicate in our report.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements, that gives a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

5. evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, 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 "Annexure-I" a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
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 (including the other comprehensive income), the cash flow statement and the statement of changes in equity 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 Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   (e) on the basis of the written representations received from the Directors as on 31st March, 2019 taken on record by the Board, none of the Directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) we are enclosing herewith a report in "Annexure-II" for our opinion on adequacy of internal financial controls system in place in the Company and the operating effectiveness of such controls.
   (g) with respect to the other matters to be included in the auditors' report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements;
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
      iii. There has been no delay in transferring amounts, required to be transferred during the year, to the Investor Education and Protection Fund by the Company.

For O P Bagla & Co LLP
Chartered Accountants
Firm Registration No. 000018N / N500091

Place: Noida
Date: 22nd May, 2019

Mukul Bagla
Partner
Membership no. 094156

ANNEXURE-I TO THE INDEPENDENT AUDITORS' REPORT

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

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

i) In respect of its fixed assets:
   a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
   b) As explained to us, fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. As in informed to us no material discrepancies were noticed on such physical verification.
   c) Title deeds in respect of all immovable properties are held in the name of the Company.

ii) Physical verification has been conducted by the management at reasonable intervals in respect of finished goods, stores, spare parts and raw materials. We were explained that no material discrepancies have been noticed on physical verification. As informed to us, discrepancies noticed on physical verification, wherever material, were duly dealt with in the books of account.

iii) As informed to us the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.

iv) According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186, wherever applicable, in respect of loans, investments and guarantees given by the Company. We are informed that the Company has not provided any security during the year.

v) According to the information and explanations given to us the Company has not accepted any deposits, in terms of the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder.

vi) The Central Government has prescribed the maintenance of cost records under Section 148(1) of the 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.

vii) a) As per information and explanations given to us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, sales tax, service tax, duty of customs, duty of excise, value added tax (VAT), cess and any other statutory dues with the appropriate authorities. As informed to us, there are no outstanding statutory dues in arrears as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
   b) We have been informed that following disputed demands in respect of VAT, excise duty and income tax have not been deposited on account of pending appeals:

Particulars	Financial years of which the matters pertains	Forum where dispute is pending	Amount (₹)
Sales Tax / VAT	2004-05	Joint Commissioner of Sales Tax (Appeals)	45,441
Sales Tax / VAT	2011-12	Commercial Tax Tribunal (Noida, UP)	5,24,112
Sales Tax / VAT	2012-13	Commercial Tax Tribunal (Noida, UP)	35,59,469
Sales Tax / VAT	2013-14	Additional Commissioner (Appeals)	2,69,428
Excise Duty	May, 2004 to July, 2004	Appellate Tribunal (CESTAT), Delhi	2,11,792
Excise Duty	April, 2015 to March, 2016	Appellate Tribunal (CESTAT), Delhi	70,72,000
Excise Duty	April, 2013 to June, 2017	Joint Commissioner Greater Noida / Alwar	4,10,05,000
Income Tax	A.Y. 2015-16	Commissioner (Appeals), Delhi	29,84,000

viii) Based on our audit procedures and on the basis of information and explanations given to us by the management, there is no default in repayment of loans to the banks, financial institutions as at the year end. There are no loans from government and the Company has not issued any debentures.

ix) As explained to us, the amounts raised by way of term loans were applied for the purpose for which the loans were taken. The Company has not raised any money during the year by way initial or further public offer.

x) Based upon the audit procedures performed and information and explanations given by the management, we report that, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit for the year ended 31st March, 2019.

xi) According to information and explanations given to us, the managerial remuneration paid and provided by the Company during the year is in accordance with the requisite approvals mandated under the provisions of Section 197 read with Schedule V of the Act.

xii) The provisions of clause (xii) of the Order are not applicable as the Company is not a Nidhi company as specified in the clause.

xiii) According to information and explanations given to us, we are of the opinion that all related party transactions are in compliance with the Section 177 and 188 of the Act. Necessary disclosures have been made in the financial statements as required by the applicable accounting standards.

xiv) According to information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or debentures during the year.

xv) According to information and explanations given to us, the Company has not entered into any non-cash transaction with the Director or any person connected with him during the year.

xvi) In our opinion, in view of its business activities, the Company is not required to be registered under Section 45IA of Reserve Bank of India Act, 1934.

For O P Bagla & Co LLP
Chartered Accountants
Firm Registration No. 000018N / N500091

Place: Noida
Dated: 22nd May, 2019

Mukul Bagla
Partner
Membership no. 09415

ANNEXURE- II TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **PPAP AUTOMOTIVE LIMITED** ("the Company") as of 31st March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, and the guidance note issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and Directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For O P Bagla & Co LLP
Chartered Accountants
Firm Registration No. 000018N / N500091

Place: Noida
Date: 22nd May, 2019

Mukul Bagla
Partner
Membership no. 094156

BALANCE SHEET
AS AT 31ST MARCH,2019

(₹ in lacs)

Particulars	Notes	As at 31.03.2019	As at 31.03.2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	23,123.43	20,484.91
Capital work-in-progress	4	50.04	1,182.99
Other intangible assets	5	598.52	615.57
Intangible assets under development	5a	179.73	-
Financial assets			
a. Investments	6	4,853.80	4,854.20
b. Other financial assets	7	481.01	438.77
Other non-current assets	8	471.36	711.89
		29,757.89	**28,288.33**
Current assets			
Inventories	9	4,496.33	3,195.63
Financial assets			
a. Trade receivables	10	5,742.42	5,523.17
b.Cash and cash equivalents	11	42.59	136.50
c. Other balances with banks	12	8.64	7.66
d. Loans	13	38.11	22.98
e. Other financial assets	7	439.29	407.59
Other current assets	14	954.76	1,046.93
		11,722.14	**10,340.46**
Total Assets		**41,480.03**	**38,628.79**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	1,400.00	1,400.00
Other equity	16	28,111.04	25,570.67
		29,511.04	**26,970.67**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	17	1,293.63	1,643.98
Provisions	18	712.01	671.17
Deferred tax liabilities (net)	19	905.24	970.55
Current liabilities			
Financial liabilities			
a. Borrowings	17	375.95	121.09
b. Trade payables	20		
- total outstanding dues of micro enterprises and small enterprises		63.98	82.94
- total outstanding dues of creditors other than micro enterprises and small enterprises		3,956.63	3,072.27
c. Other financial liabilities	21	2,384.62	3,507.80
Other current liabilities	22	2,158.92	1,307.21
Provisions	18	88.92	84.30
Current tax liabilities (net)	23	29.09	196.81
Total Liabilities		**11,968.99**	**11,658.12**
Total Equity and Liabilities		**41,480.03**	**38,628.79**

Significant accounting policies 2

The accompanying Notes 1 to 51 form an integral part of these financial statements.

In terms of our report of even date annexed
For O P Bagla & Co LLP
Chartered Accountants
F.R.N.: 000018N / N500091

Mukul Bagla
Partner
(Membership No. 094156)

Place: Noida
Date: 22nd May, 2019

For and on behalf of the Board
PPAP Automotive Limited

Ajay Kumar Jain
Chairman & Managing Director
DIN: 00148839

Abhishek Jain
CEO & Managing Director
DIN: 00137651

Manish Dhariwal
Chief Financial Officer

Sonia Bhandari
Company Secretary

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in lacs)

Particulars	Notes	Year ended 31.03.2019	Year ended 31.03.2018
INCOME			
Revenue from operations	24	41,098.04	40,884.57
Other income	25	107.06	258.56
Total Income (I)		**41,205.10**	**41,143.13**
Expenses			
Cost of materials consumed	26	21,980.69	20,465.80
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(925.60)	(562.00)
Excise duty on sale of goods		-	1,122.24
Employee benefits expense	28	7,133.27	6,322.85
Finance costs	29	404.71	442.39
Depreciation and amortization expense	30	2,599.53	2,598.96
Other expenses	31	5,189.72	5,047.78
Total Expenses (II)		**36,382.32**	**35,438.02**
Profit / (loss) before tax from continuing operations (I-II)		**4,822.78**	**5,705.11**
Tax expenses	19		
Current tax		1,609.00	1,956.00
Adjustment of tax relating to earlier periods		(85.29)	5.33
Deferred tax		(42.56)	2.61
Profit / (loss) for the year		**3,341.63**	**3,741.17**
Other Comprehensive Income (OCI)	32		
Items that will not be reclassified to profit & loss in subsequent periods			
Re-measurement gains / (losses) on defined benefit plans		(65.19)	10.01
Income tax effect on such items		22.75	(3.46)
Total other comprehensive income for the year, net of tax		**(42.44)**	**6.55**
Total comprehensive income for the year, net of tax		**3,299.19**	**3,747.72**
Earnings per equity share (computed on the basis of profit for the year)	33		
(1) Basic (in ₹)		23.87	26.72
(2) Diluted (in ₹)		23.87	26.72

Significant accounting policies 2

The accompanying Notes 1 to 51 form an integral part of these financial statements.

In terms of our report of even date annexed
For O P Bagla & Co LLP
Chartered Accountants
F.R.N.: 000018N / N500091

Mukul Bagla
Partner
(Membership No. 094156)

Place: Noida
Date: 22nd May, 2019

For and on behalf of the Board
PPAP Automotive Limited

Ajay Kumar Jain
Chairman & Managing Director
DIN: 00148839

Abhishek Jain
CEO & Managing Director
DIN: 00137651

Manish Dhariwal
Chief Financial Officer

Sonia Bhandari
Company Secretary

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in lacs)

Particulars	Year ended	31.03.2019		31.03.2018
CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax		4,822.78		5,705.11
Adjusted for				
Depreciation and amortization expense	2,599.53		2,598.96	
Provision employee benefits	(19.73)		122.57	
Interest expense	404.71		442.39	
Balances written off	0.28		-	
Provision for bad & doubtful debts	6.06		0.21	
Gain from de-recognition of other financial assets	-		(0.55)	
Profit on sale of investments	-		(19.18)	
Government grant	-		(168.28)	
Interest income	(15.16)	2,975.69	(28.60)	2,947.52
Operating profit before working capital changes		**7,798.47**		**8,652.63**
Working capital adjustments				
Decrease / (Increase) in inventories	(1,300.70)		(890.71)	
Decrease / (Increase) in trade and other receivables	77.26		(185.51)	
Movement in trade and other payables	999.31	(224.13)	2,358.53	1,282.31
Cash generated from operations		**7,574.34**		**9,934.94**
Direct taxes refunded / (paid)		(1,691.43)		(2,160.25)
Net cash from operating activities (A)		**5,882.91**		**7,774.69**
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant, equipment	(2,303.63)		(4,011.65)	
Purchase of assets in CWIP	(1,770.75)		(865.44)	
Purchase of assets in intangible assets under construction	(179.73)		-	
Purchase of intangible assets	(161.58)		(197.73)	
Sale of tangible fixed assets	147.91		221.76	
Sale / (purchase) of current investments	-		251.12	
Profit on sale of investments	-		19.18	
Investment in fixed deposits (purchased) / matured	(59.92)		10.94	
Interest income	15.16		28.60	
Net cash used in investing activities (B)		**(4,312.54)**		**(4,543.22)**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in lacs)

Particulars	Year ended			
		31.03.2019		31.03.2018
CASH FLOW FROM FINANCING ACTIVITIES				
Interest paid	(316.69)		(357.12)	
Proceeds / (repayment) of long term borrowings	(843.63)		(1,615.33)	
Proceeds / (repayment) of short term borrowings	254.86		(705.67)	
Dividends paid (including dividend distribution tax)	(758.82)		(631.89)	
Net cash flow from financing activities (C)		**(1,664.28)**		**(3,310.01)**
Net increase in cash and cash equivalents (A+B+C)		**(93.91)**		**(78.54)**
Cash and cash equivalents at the begining of financial year		**136.50**		**215.04**
Cash and cash equivalents at the end of financial year		**42.59**		**136.50**
Components of cash and cash equivalents				
Cash on hand		11.10		12.01
Balance with banks				
On current accounts		31.49		124.49
Deposits with maturity of less than 3 months		-		-
		42.59		**136.50**

Significant accounting policies Note 2

The accompanying Notes 1 to 51 form an integral part of these financial statements.

Note:

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7 'Statement of Cash Flows'.

In terms of our report of even date annexed
For O P Bagla & Co LLP
Chartered Accountants
F.R.N.: 000018N / N500091

Mukul Bagla
Partner
(Membership No. 094156)

Place: Noida
Date: 22nd May, 2019

For and on behalf of the Board
PPAP Automotive Limited

Ajay Kumar Jain
Chairman & Managing Director
DIN: 00148839

Abhishek Jain
CEO & Managing Director
DIN: 00137651

Manish Dhariwal
Chief Financial Officer

Sonia Bhandari
Company Secretary

STATEMENT OF CHANGES IN EQUITY
AS AT 31ST MARCH, 2019

A. Equity share capital (refer note 15)

(₹ in lacs)

Equity shares of ₹ 10 each issued, subscribed and fully paid	**No. of shares**	**Amount**
At 01st April, 2017	**1,40,00,000**	**1,400.00**
Issue of share capital	-	-
At 31st March, 2018	**1,40,00,000**	**1,400.00**
Issue of share capital	-	-
At 31st March, 2019	**1,40,00,000**	**1,400.00**

B. Other equity

	Reserves and surplus			**Items of other comprehensive income**	**Total equity (refer note 16)**
	General reserve	**Securities premium**	**Retained earnings**	**Re-measurement gains / (losses) on defined benefit plans**	
As at 01st April, 2017	**1,158.95**	**7,000.00**	**14,296.05**	**(0.16)**	**22,454.84**
Net income / (loss) for the year	-	-	3,741.17	-	3,741.17
Other comprehensive income (note 32)	-	-	-	6.55	6.55
Total comprehensive income	**-**	**-**	**3,741.17**	**6.55**	**3,747.72**
Final dividend	-	-	(280.00)	-	(280.00)
Dividend distribution tax on final dividend	-	-	(57.00)	-	(57.00)
Interim dividend	-	-	(245.00)	-	(245.00)
Dividend distribution tax on interim dividend	-	-	(49.89)	-	(49.89)
As at 31st March, 2018	**1,158.95**	**7,000.00**	**17,405.33**	**6.39**	**25,570.67**
Net income / (loss) for the year	-	-	3,341.63	-	3,341.63
Other comprehensive income (note 32)	-	-	-	(42.44)	(42.44)
Total comprehensive income	**-**	**-**	**3,341.63**	**(42.44)**	**3,299.19**
Final dividend	-	-	(350.00)	-	(350.00)
Dividend distribution tax on final dividend	-	-	(71.25)	-	(71.25)
Interim dividend	-	-	(280.00)	-	(280.00)
Dividend distribution tax on interim dividend	-	-	(57.57)	-	(57.57)
As at 31st March, 2019	**1,158.95**	**7,000.00**	**19,988.14**	**(36.05)**	**28,111.04**

Significant accounting policies Note 2

The accompanying Notes 1 to 51 form an integral part of these financial statements.

In terms of our report of even date annexed
For O P Bagla & Co LLP
Chartered Accountants
F.R.N.: 000018N / N500091

Mukul Bagla
Partner
(Membership No. 094156)

Place: Noida
Date: 22nd May, 2019

For and on behalf of the Board
PPAP Automotive Limited

Ajay Kumar Jain
Chairman & Managing Director
DIN: 00148839

Abhishek Jain
CEO & Managing Director
DIN: 00137651

Manish Dhariwal
Chief Financial Officer

Sonia Bhandari
Company Secretary

Notes to Financial Statements
for the year ended 31st March, 2019

1. Corporate Information

PPAP AUTOMOTIVE LIMITED (“PPAP” or “the Company”) is a limited Company domiciled in India and was incorporated on 18th October, 1995. The registered office of the Company is located at 54, Okhla Industrial Estate, Phase-III, New Delhi-110020 and the corporate office is situated at B-206A, Sector-81, Phase-II, Noida-201305, U.P.

PPAP is a leading manufacturer of automotive sealing systems, interior and exterior automotive parts in India. The Company’s state of the art manufacturing facilities are located in Noida (UP), Greater Noida (UP), Pathredi (Rajasthan), Vallam Vadagal (Tamil Nadu) and Viramgam (Gujarat). The Company is listed on the Indian stock exchanges (BSE / NSE) since 2008.

In 2012, the Company has ventured into EPDM Rubber based automotive sealing system by establishing a Joint Venture with its Technology Partner Tokai Kogyo Co. Limited-Japan.

The financial statements of the Company for the year ended 31st March, 2019 were authorized for issue in accordance with a resolution of the Directors on 22nd May, 2019.

2. Significant Accounting Policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The financial statements have been prepared on a historical cost basis, except for the certain assets and liabilities which have been measured at different basis and such basis has been disclosed in relevant accounting policy.

The financial statements are presented in INR and all values are rounded to the nearest lacs (INR 00,000), except when otherwise indicated.

2.2 Significant accounting policies

a. Current versus Non-Current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset / liability is treated as current when it is:

- expected to be realised or intended to be sold or consumed or settled in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised / settled within twelve months after the reporting period, or;
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period; and
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

b. Property, plant and equipment

i) Tangible assets

Property, plant and equipment are stated at cost [i.e., cost of acquisition or construction inclusive of freight, erection and commissioning charges, non-refundable duties and taxes, expenditure during construction period, borrowing costs (in case of a qualifying asset) upto the date of acquisition / installation], net of accumulated depreciation and accumulated impairment losses, if any.

When significant parts of property, plant and equipment (identified individually as component) are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Whenever major inspection / overhaul / repair is performed, its cost is recognized in the carrying amount of respective assets as a replacement, if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss.

Notes to Financial Statements
for the year ended 31st March, 2019

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Property, plant and equipment are eliminated from financial statements, either on disposal or when retired from active use. Losses / gains arising in case retirement / disposals of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

Depreciation on property, plant and equipment 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 as given below:

Particulars	Useful lives
Dies and Moulds	6 years

Leasehold Improvements are amortized over the period of the lease or the useful life of the asset, whichever is lower.

The residual values, useful lives and methods of depreciation / amortization of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

ii) Capital work-in-progress

Capital work-in-progress includes construction stores including material in transit / equipment / services, etc. received at site for use in the projects.

All revenue expenses incurred during construction period, which are exclusively attributable to acquisition / construction of fixed assets, are capitalized at the time of commissioning of such assets.

c. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization.

Intangible assets with finite lives (i.e. software and licenses) are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and method for an intangible asset is reviewed at least at the end of each reporting period.

Costs relating to computer software and technical know-how are capitalized and amortized on SLM over their estimated useful economic life of six years.

d. Research & development costs

Research and development costs that are in nature of tangible assets and are expected to generate probable future economic benefits are capitalized as tangible assets. Revenue expenditure on research and development is charged to the statement of profit and loss in the year in which it is incurred.

e. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur.

f. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

Notes to Financial Statements
for the year ended 31st March, 2019

g. Inventories

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, wherever considered necessary. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw material, stores and spares, packing materials, trading and other products are determined on FIFO basis. Work-in-progress is carried at cost or net realisable value whichever is lower.

h. Revenue recognition

The Company derives revenues primarily from manufacturing and sale of automotive components and moulds.

With effect from 01st April, 2018, the Company adopted Ind AS 115 “Revenue from Contracts with Customers” using the cumulative catch-up transition method, applied to contracts that were not completed as of 01st April, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and / or revised significant accounting policies related to revenue recognition. Refer note 2 “Significant Accounting Policies,” in the Company’s 2018 Annual Report for the policies in effect for revenue prior to 01st April, 2018. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Arrangements with customers for sale of automotive components and moulds are mostly on a fixed price basis.

Revenue from fixed-price contracts are recognised when the performance obligations are satisfied upon delivery of components to the customers and where there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the rateable allocation of the discounts / incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount / incentive. For the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount also, when the level of discount varies with increase in levels of revenue transactions, the Company recognizes the liability based on its estimate of the customer’s future purchases. If it is probable that the criteria is not recognized until the payment is probable and the amount can be estimated reliably. The Company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Dividend income is recognized when the right to receive payment is established.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

i. Foreign currency transactions

The Company’s financial statements are presented in INR, which is also its functional currency.

Foreign currency transactions are initially recorded in functional currency using the exchange rates at the date the transaction.

At each balance sheet date, foreign currency monetary items are reported using the exchange rate prevailing at the year end.

Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

j. Taxes on income

Current tax

Current tax is measured at the amount expected to be paid / recovered to / from the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Notes to Financial Statements
for the year ended 31st March, 2019

Current income tax relating to items recognised directly in equity / other comprehensive income is recognised under the respective head and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternate Tax (MAT), paid in accordance with the Income Tax Act, 1961 gives rise to expected future economic benefits in the form of adjustment of future tax liability arising within a specified period, is recognised as an asset only to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of MAT credit asset is written down to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Tax relating to items recognized directly in equity / other comprehensive income is recognized in respective head and not in the statement of profit and loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

k. Employee benefits

All employee benefits that are expected to be settled wholly within twelve months after the end of period in which the employee renders the related services are classified as short-term employee benefits. Benefits such as salaries, wages, short-term compensated absences, etc. are recognized as expense during the period in which the employee renders related service.

The Company's contribution to the provident fund is remitted to provident fund authorities and are based on a fixed percentage of the eligible employee's salary and debited to statement of profit and loss.

Gratuity is a defined benefit obligation.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability are recognized immediately in the balance sheet with a corresponding debit or credit to 'other equity' through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

Past service costs are recognized in statement of profit and loss in the period of plan amendment.

Compensated absences and other benefits like gratuity which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a non-current liability at the present value of the defined benefit obligation at the balance sheet date.

Notes to Financial Statements
for the year ended 31st March, 2019

l. Royalty

The Company pays / accrues for royalty in accordance with the relevant licence agreement with the technical know-how provider. The lump sum royalty incurred towards obtaining technical assistance / technical know-how and engineering support to manufacture new parts, ownership of which rests with the technical know-how provider, is recognized as an intangible asset. Royalty payable on sales of products i.e. running royalty is charged to the statement of profit and loss as and when incurred.

m. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the transaction. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 01st April, 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss. Contingent rentals are recognized as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the statement of profit and loss on a SLM over the lease term however, rent expenses shall not be straight lined, if escalation in rentals is in line with expected inflationary cost.

n. Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

o. Earnings per share

Basic earnings per equity share is computed by dividing the net profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

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for the year ended 31st March, 2019

p. **Recent accounting pronouncements**

Ind AS 116 'Leases': On 30th March, 2019, Ministry of Corporate Affairs has notified Ind AS 116 'Leases'. Ind AS 116 will replace the existing leases standard, Ind AS 17 'Leases', and related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit & loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after 01st April, 2019. The standard permits two possible methods of transition:

- Full retrospective-Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- Modified retrospective-Retrospectively, with the cumulative effect of initially applying the standard recognized at the date of initial application. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:
- It's carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application; or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the modified retrospective approach for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (01st April, 2019). Accordingly, comparatives for the year ended 31st March, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

The Company is currently evaluating the effect of this amendment on the standalone financial statements.

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

The standard permits two possible methods of transition: i) Full retrospective approach-Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 01st April, 2019. The Company will adopt the standard on 01st April, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. 01st April, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

Amendment to Ind AS 12 'Income taxes': On 30th March, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. Effective date for

Notes to Financial Statements
for the year ended 31st March, 2019

application of this amendment is annual period beginning on or after 01st April, 2019. The Company does not have any impact on account of this amendment.

Amendment to Ind AS 19 'Plan Amendment, Curtailment or Settlement'- On 30th March, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

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

Effective date for application of this amendment is annual period beginning on or after 01st April, 2019. The Company does not have any impact on account of this amendment.

q. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

r. Fair value measurement

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1-Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2-Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3-Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

s. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

Classification

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Notes to Financial Statements
for the year ended 31st March, 2019

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in below categories:

- **Financial assets carried at amortized cost**

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

- **Financial assets at fair value through other comprehensive income**

  A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

- **Financial assets at fair value through profit or loss**

  A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Derecognition

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Investment in subsidiaries, joint ventures and associates

The Company has accounted for its investment in subsidiaries, joint ventures and associates at cost.

Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model for measurement and recognition of impairment loss, the calculation of which is based on historical data, on the financial assets that are trade receivables or contract revenue receivables and all lease receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables and all lease receivables resulting from transactions within the scope of Ind AS 17.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument; and
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade

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receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. On that basis, the Company estimates the following provision matrix at the reporting date:

	0-180 days past due	More than 180 days past due
Default rate	0.05%	2.00%

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income / expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

(b) Financial liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at amortized cost**

  After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

  Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of P&L.

- **Financial liabilities at fair value through profit or loss**

  Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of P&L.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of P&L.

(c) Offsetting of financial instruments

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

(d) Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps, full currency swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative

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contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of P&L.

t. Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an asset, the cost of the asset is shown at gross value and grant thereon is treated as capital grant which is recognized as income in statement of P&L over the period and in proportion in which depreciation is charged.

When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

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

2.3 Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgments, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively:

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements.

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Notes to Financial Statements
for the year ended 31st March, 2019

(a) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

(b) Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(c) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(d) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

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for the year ended 31st March, 2019

(₹ in lacs)

3. Property, plant and equipment

	Land	Factory Building	Plant & Machinery	Furniture & Fixtures	Vehicle	Office Equipment	Dies & Moulds	Computer	Total
Cost									
As at 01st April, 2017	**1,619.22**	**5,747.10**	**10,567.77**	**357.17**	**1,129.39**	**218.97**	**1,427.40**	**192.30**	**21,259.32**
Additions	144.57	1,554.91	1,696.38	72.03	203.86	73.38	186.70	79.82	4,011.65
Disposals	-	-	229.35	0.49	57.22	-	1.70	1.16	289.92
As at 31st March, 2018	**1,763.79**	**7,302.01**	**12,034.80**	**428.71**	**1,276.03**	**292.35**	**1,612.40**	**270.96**	**24,981.05**
Additions	394.31	1,990.88	2,112.48	220.46	151.80	65.24	222.60	49.56	5,207.33
Disposals	-	-	7.28	0.07	286.84	0.12	-	0.02	294.33
As at 31st March, 2019	**2,158.10**	**9,292.89**	**14,140.00**	**649.10**	**1,140.99**	**357.47**	**1,835.00**	**320.50**	**29,894.05**
Depreciation									
As at 01st April, 2017	-	238.41	1,312.08	42.46	120.83	54.97	348.41	69.48	2,186.64
Depreciation charge for the year 2017-18	-	252.64	1,493.13	43.00	166.57	61.06	302.58	58.68	2,377.66
Disposals	-	-	32.28	0.04	34.52	-	0.27	1.05	68.16
As at 31st March, 2018	**-**	**491.05**	**2,772.93**	**85.42**	**252.88**	**116.03**	**650.72**	**127.11**	**4,496.14**
Depreciation charge for the year 2018-19	5.99	338.80	1,449.94	59.74	188.50	61.40	255.38	61.15	2,420.90
Disposals	-	0.49	31.88	-	114.05	-	-	-	146.42
As at 31st March, 2019	**5.99**	**829.36**	**4,190.99**	**145.16**	**327.33**	**177.43**	**906.10**	**188.26**	**6,770.62**
Net book value									
As at 31st March, 2019	**2,152.11**	**8,463.53**	**9,949.01**	**503.94**	**813.66**	**180.04**	**928.90**	**132.24**	**23,123.43**
As at 31st March, 2018	1,763.79	6,810.96	9,261.87	343.29	1,023.15	176.32	961.68	143.85	20,484.91
As at 31st March, 2017	1,619.22	5,508.69	9,255.69	314.71	1,008.56	164.00	1,078.99	122.82	19,072.68

4. Capital work-in-progress	Plant & Machinery	Building Construction	Total
As at 01st April, 2017	**294.90**	**22.65**	**317.55**
Additions	1,051.94	1,906.76	2,958.70
Disposals / capitalizations	1,071.83	1,021.43	2,093.26
As at 31st March, 2018	**275.01**	**907.98**	**1,182.99**
Additions	729.71	1,041.04	1,770.75
Disposals / capitalizations	998.49	1,905.21	2,903.70
As at 31st March, 2019	**6.23**	**43.81**	**50.04**

Notes to Financial Statements
for the year ended 31st March, 2019

(₹ in lacs)

5. Other intangible assets	Software	Technical Know How	Total
Cost			
As at 01st April, 2017	128.57	721.80	850.37
Additions	109.31	88.42	197.73
Disposals	-	-	-
As at 31st March, 2018	**237.88**	**810.22**	**1,048.10**
Additions	6.71	154.87	161.58
Disposals	-	-	-
As at 31st March, 2019	**244.59**	**965.09**	**1,209.68**
Amortization			
As at 31st March, 2017	28.56	182.67	211.23
Amortization charge for the year 2017-18	35.80	185.50	221.30
Disposals	-	-	-
As at 31st March, 2018	**64.36**	**368.17**	**432.53**
Amortization charge for the year 2018-19	38.09	140.54	178.63
Disposals	-	-	-
As at 31st March, 2019	**102.45**	**508.71**	**611.16**
Net book value			
As at 31st March, 2019	142.14	456.38	598.52
As at 31st March, 2018	173.52	442.05	615.57
As at 31st March, 2017	100.01	539.13	639.14

5a. Intangible assets under development	Software
As at 01st April, 2017	
Additions	-
Disposals / capitalizations	-
As at 31st March, 2018	**-**
Additions	179.73
Disposals / capitalizations	-
As at 31st March, 2019	**179.73**

Notes to Financial Statements
for the year ended 31st March, 2019

(₹ in lacs)

6. Investments	Non-current	
	As at 31.03.2019	As at 31.03.2018
(a) Investment in equity shares of joint venture company at cost		
Unquoted		
PPAP Tokai India Rubber Private Limited 4,85,00,000 (31st March, 2018: 4,85,00,000) equity shares of ₹10 each fully paid up	4,853.00	4,853.00
Total	**4,853.00**	**4,853.00**
(b) Investments in equity shares of associates at cost		
Unquoted		
PPAP Automotive Chennai Private Limited Nil (31st March, 2018: 40,000) equity shares of ₹10 each fully paid up	-	0.40
PPAP Automotive Technology Private Limited 40,000 (31st March, 2018: 40,000) equity shares of ₹10 each fully paid up	0.40	0.40
PPAP Automotive Systems Private Limited 40,000 (31st March, 2018: 40,000) equity shares of ₹10 each fully paid up	0.40	0.40
	0.80	1.20
Total	**4,853.80**	**4,854.20**
Aggregate book value of quoted investments	**-**	**-**
Aggregate market value of quoted investments	**-**	**-**
Aggregate value of unquoted investments	**4,853.80**	**4,854.20**
Aggregate amount of impairment in value of investments	**-**	**-**

7. Other financial assets	Non-current		Current	
(Unsecured, considered good)	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Security deposits	218.95	235.65	-	-
Bank deposits (having maturity more than 12 months)	262.06	203.12	-	-
Government grant receivable	-	-	394.12	402.78
Interest accrued on deposits	-	-	0.96	0.38
Insurance claim receivable	-	-	44.21	-
Derivative instruments at fair value through profit or loss				
Foreign exchange forward contracts receivables	-	-	-	4.43
Total	**481.01**	**438.77**	**439.29**	**407.59**

Derivative instruments at fair value through profit or loss

Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

Bank deposits (having maturity more than 12 months)

Bank deposits are held as security against letter of credit and bank guarantees.

Notes to Financial Statements
for the year ended 31st March, 2019

(₹ in lacs)

8. Other non-current assets (Unsecured, considered good)	**As at 31.03.2019**	**As at 31.03.2018**
Capital advances	436.24	697.32
Prepaid expenses	35.12	14.57
Total	**471.36**	**711.89**

9. Inventories	**As at 31.03.2019**	**As at 31.03.2018**
Raw materials	2,285.79	1,570.80
Work-in-process	1,872.44	1,365.07
Finished goods	328.42	251.70
Stores and spares	9.68	8.06
Total	**4,496.33**	**3,195.63**

Note:

For mode of valuation refer accounting policy number 2.2(g)

10. Trade receivables	**As at 31.03.2019**	**As at 31.03.2018**
Unsecured, considered good	5,742.42	5,523.17
Unsecured, considered doubtful	8.83	2.77
Less: Provision for doubtful receivables	8.83	2.77
Trade recievables: Which have significant increase in credit risk	-	-
Trade recievables: Credit impaired	-	-
Total	**5,742.42**	**5,523.17**

No trade receivable are due from Directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies respectively in which any Director is a partner, a director or a member.

11. Cash and cash equivalents	**As at 31.03.2019**	**As at 31.03.2018**
Balances with banks		
On current accounts	31.49	124.49
Deposits with maturity of less than 3 months	-	-
Cash on hand	11.10	12.01
Total	**42.59**	**136.50**
For the purpose of statement of cash flows, cash and cash equivalents comprises the following:		
Balances with banks		
On current accounts	31.49	124.49
Deposits with maturity of less than 3 months	-	-
Cash on hand	11.10	12.01
Total	**42.59**	**136.50**

Notes to Financial Statements
for the year ended 31st March, 2019

(₹ in lacs)

12. Other balances with banks	As at 31.03.2019	As at 31.03.2018
Bank deposits with maturity for 3 to 12 months (earmarked balances with banks)	8.64	7.66
Total	**8.64**	**7.66**

13. Loans	As at 31.03.2019	As at 31.03.2018
Loans to related parties		
(Unsecured, considered good)	-	-
Other loans		
(Unsecured, considered good)		
Loan to staff	38.11	22.98
Total	**38.11**	**22.98**

Loans are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

14. Other current assets (Unsecured, considered good)	As at 31.03.2019	As at 31.03.2018
Advance to suppliers & contractors	375.90	530.99
Prepaid expenses	90.87	129.16
Balances with government authorities	487.99	386.78
Total	**954.76**	**1,046.93**

Notes to Financial Statements
for the year ended 31st March, 2019

(₹ in lacs)

15. Equity share capital	As at 31.03.2019	As at 31.03.2018
Authorized		
2,00,00,000 equity shares of ₹ 10 each (31st March, 2018: 2,00,00,000 equity shares of ₹ 10 each)	2,000.00	2,000.00
Subscribed and fully paid up		
1,40,00,000 equity shares of ₹ 10 each (31st March, 2018: 1,40,00,000) equity shares of ₹ 10 each)	1,400.00	1,400.00

A. Reconciliation of the shares outstanding at the beginning and at the end of the year

	As at 31.03.2019		As at 31.03.2018	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	1,40,00,000	1,400.00	1,40,00,000	1,400.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	**1,40,00,000**	**1,400.00**	**1,40,00,000**	**1,400.00**

B. Terms / rights attached to equity shares

The Company has only one class of equity share having face value of ₹ 10 per share. The holder of the equity shares is entitled to receive dividend as declared from time to time. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing annual general meeting. The holder of share is entitled to voting rights proportionate to their shareholding.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive assets of the Company remaining after settlement of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

C. Following shareholders hold equity shares more than 5% of the total equity shares of the Company:

Name of Shareholder	As at 31.03.2019		As at 31.03.2018	
	Number of shares	% of holding in class	Number of shares	% of holding in class
Ajay Kumar Jain	38,67,180	27.62%	38,67,180	27.62%
Abhishek Jain	10,02,404	7.16%	10,02,404	7.16%
Kalindi Farms Private Limited	18,58,982	13.28%	18,44,082	13.17%

D. Aggregate number and class of shares for a period of 5 years immediately preceding pursuant to contract(s) without payment being received in cash

	As at 31.03.2019	As at 31.03.2018
Aggregate number and class of shares for a period of 5 years immediately preceding pursuant to contract(s) without payment being received in cash	Nil	Nil

Notes to Financial Statements
for the year ended 31st March, 2019

(₹ in lacs)

16. Other equity	Amount
a) Securities premium	
As at 01st April, 2017	**7,000.00**
Issue of equity shares	-
As at 31st March, 2018	**7,000.00**
Issue of equity shares	-
As at 31st March, 2019	**7,000.00**
b) Actuarial gains / losses on defined benefit employee obligations	
As at 01st April, 2017	**(0.16)**
Other comprehensive income for the year 2017-18	6.55
As at 31st March, 2018	**6.39**
Other comprehensive income for the year 2018-19	(42.44)
As at 31st March, 2019	(36.05)
c) General reserve	
As at 01st April, 2017	**1,158.95**
Add: Transferred from retained earnings	-
As at 31st March, 2018	**1,158.95**
Add: Transferred from retained earnings	-
As at 31st March, 2019	1,158.95
d) Retained earnings	
As at 01st April, 2017	**14,296.05**
Profit for the year 2017-18	3,741.17
Less: Final dividend paid	(280.00)
Less: Distribution tax paid on final dividend	(57.00)
Less: Interim dividend paid	(245.00)
Less: Distribution tax paid on interim dividend	(49.89)
As at 31st March, 2018	**17,405.33**
Profit for the year 2018-19	3,341.63
Less: Final dividend paid	(350.00)
Less: Distribution tax paid on final dividend	(71.25)
Less: Interim dividend Paid	(280.00)
Less: Distribution tax paid on interim dividend	(57.57)
As at 31st March, 2019	**19,988.14**
Total other equity	
As at 31st March, 2019	**28,111.04**
As at 31st March, 2018	**25,570.67**
As at 01st April, 2017	**22,454.84**

Nature and purpose of reserves

a) Securities premium

The amount received in excess of face value of the equity shares is recognised in securities premium.

b) Actuarial gains / losses on defined benefit employee obligations

The amount of actuarial gains / losses recognised on post employment defined benefit employee obligations till date. Actuarial gains / losses are differences between any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans which are recognised in 'other comprehensive income' and subsequently not reclassified to the statement of profit and loss.

c) General reserve

The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provision of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

d) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to investors.

Notes to Financial Statements
for the year ended 31st March, 2019

(₹ in lacs)

17. Borrowings	Non-current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Secured				
Term loans				
Term loan from banks	749.37	1,746.60	-	-
Term loan from financial institution	1,267.04	748.79	-	-
Vehicle loans				
From banks	66.96	343.59	-	-
Less: Current maturities	(789.74)	(1,195.00)	-	-
Working capital loans from banks (refer note III below)	-	-	375.95	121.09
Short term loans from banks				
Letter of credit (refer note III below)	-	-	-	-
Total	**1,293.63**	**1,643.98**	**375.95**	**121.09**

Terms of borrowings

Type of loan	Loan outstanding		Rate of interest	Security guarantee	Repayment terms
	As at 31.03.2019	As at 31.03.2018			
Term loan from banks	749.37	1,746.60	8.40% to 8.80% per annum	Refer note I	Repayable in 20 quarterly installments
Term loan from financial institution	1,267.04	748.79	Nil	Refer note II	Repayable in one installment after seven years from the date of disbursement i.e. 29.10.2015 for ₹ 809.38 lacs, 27.12.2016 for ₹ 499.71 lacs and 02.11.2018 for ₹ 432.99 lacs.
Vehicle loans from banks	66.96	343.59	10.25% to 13% per annum	Secured by way of hypothecation of vehicles.	Repayable in equal monthly installments of 18 to 60 months
Working capital loans from banks	375.95	121.09	7.95% to 8.85% per annum	Refer note III	On demand

Note I:

Term loans are secured by 1st charge on all movable assets (present and future) of the Company. Term loans are further secured by way of equitable mortgage on factory land and building of the Company situated at Kasna, Greater Noida. The charges are ranked pari-passu with the charges shared with other bankers.

Note II:

Loan from State Owned Corporation, viz. The Pradeshiya Industrial & Investment Corporation of U.P. Limited is secured by bank guarantee equivalent to 100% of loan amount.

Note III:

Secured by hypothecation of inventories, book debts, other current assets, factory land and building situated at B-206A, Sector-81, Phase-II, Noida.

Notes to Financial Statements
for the year ended 31st March, 2019

(₹ in lacs)

18. Provisions	Non-current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Provision for employee benefits				
Provision for gratuity (Refer note 34 for Ind AS 19 disclosures)	598.23	559.57	74.38	62.39
Provision for compensated absences	113.78	111.60	14.54	21.91
Total	**712.01**	**671.17**	**88.92**	**84.30**

19. Income Taxes

The major components of income tax expense for the year ended 31st March, 2019 and 31st March, 2018 are:

A. Statement of profit and loss

(i) Profit & loss section	As at 31.03.2019	As at 31.03.2018
Current income tax charge	1,609.00	1,956.00
Adjustments in respect of current income tax of previous year	(85.29)	5.33
Deferred tax		
Relating to origination and reversal of temporary differences	(42.56)	2.61
Income tax expense reported in the statement of profit & loss	**1,481.15**	**1,963.94**

(ii) OCI section	As at 31.03.2019	As at 31.03.2018
Deferred tax related to items recognised in OCI during the year:		
Net loss / (gain) on remeasurements of defined benefit plans	22.75	(3.46)
Income tax charged to OCI	**22.75**	**(3.46)**

B. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for financial year ended 31st March, 2018 and 31st March, 2019.

	As at 31.03.2019	As at 31.03.2018
Accounting profit before tax from continuing operations	4,822.78	5,705.11
Profit / (loss) before tax from a discontinued operation	-	-
Accounting profit before income tax	**4,822.78**	**5,705.11**
At India's statutory income tax rate of 34.94% (31st March, 2018: 34.61%)	1,685.27	1,974.42
Adjustments in respect of current income tax of previous years	(85.29)	5.33
Net disallowances on which deferred tax is not recognised	32.84	9.65
Exempted income / deductions	(151.67)	(25.46)
Unabsorbed losses and depreciation carry forward and set off	-	-
At the effective income tax rate of 30.71% (31st March, 2018: 34.42%)	**1,481.15**	**1,963.94**
Income tax expense reported in the statement of profit and loss	1,481.15	1,963.94
Income tax attributable to a discontinued operation	-	-
	1,481.15	**1,963.94**

Notes to Financial Statements
for the year ended 31st March, 2019

(₹ in lacs)

C. Deferred tax

Deferred tax relates to the following:	**Balance sheet**		**Statement of profit and loss / OCI**	
	As at 31.03.2019	**As at 31.03.2018**	**Year ended 31.03.2019**	**Year ended 31.03.2018**
Accelerated depreciation for tax purposes	825.78	810.88	(14.90)	(16.18)
Provision for gratuity & leave encashment	(215.28)	(168.74)	46.54	38.95
Provision for expected credit loss	(1.00)	(0.96)	0.04	0.08
Present valuation of security deposits	-	-	-	(0.19)
Present valuation of borrowings	295.74	329.37	33.63	(28.73)
Deferred tax (expense) / income	**-**	**-**	**65.31**	**(6.07)**
Net deferred tax (assets) / liabilities	**905.24**	**970.55**	**-**	**-**

Reflected in the balance sheet as follows:	**As at 31.03.2019**	**As at 31.03.2018**
Deferred tax assets	(216.28)	(169.70)
Deferred tax liabilities	1,121.52	1,140.25
Deferred tax liabilities (net)	**905.24**	**970.55**

Reconciliation of deferred tax liabilities (net)	**As at 31.03.2019**	**As at 31.03.2018**
Opening balance	**970.55**	**964.48**
Tax (income) / expense during the period recognized in profit & loss	(42.56)	2.61
Tax (income) / expense during the period recognized in OCI	(22.75)	3.46
Closing balance	**905.24**	**970.55**

20. Trade payables	**As at 31.03.2019**	**As at 31.03.2018**
Trade payables		
- total outstanding dues of micro and small enterprises	63.98	82.94
- total outstanding dues of creditors other than micro and small enterprises	3,956.63	3,072.27
Total	**4,020.61**	**3,155.21**

21. Other financial liabilities	**As at 31.03.2019**	**As at 31.03.2018**
Security deposits	1.50	1.50
Current maturities of long-term debt		
Term loans	749.37	1,000.00
Vehicle loans	40.37	195.00
Interest accrued on borrowings	2.35	7.66
Capital creditors	775.49	1,560.90
Creditors for expenses	807.45	736.36
Unclaimed dividends	8.09	6.38
Total	**2,384.62**	**3,507.80**

Notes to Financial Statements
for the year ended 31st March, 2019

(₹ in lacs)

22. Other current liabilities	As at 31.03.2019	As at 31.03.2018
Advance from customers	1,596.85	230.12
Statutory dues payable	562.07	1,077.09
Total	**2,158.92**	**1,307.21**

23. Current tax liabilities (net)	As at 31.03.2019	As at 31.03.2018
Income tax provision (net of advance tax of ₹ 1,579.91 lacs (31st March, 2018: ₹ 1,758.53 lacs)	29.09	196.81
Total	**29.09**	**196.81**

24. Revenue from operations	Year ended 31.03.2019	Year ended 31.03.2018
Sale of products		
Automotive parts	38,862.30	36,633.55
Moulds	1,554.20	3,986.47
Sale of services		
Job work charges received	-	68.48
	40,416.50	40,688.50
Other operating revenue		
GST subsidy	681.54	27.79
Government grant	-	168.28
Total	**41,098.04**	**40,884.57**

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. The Company does not have any remaining performance obligations as at 31st March, 2019 (31st March, 2018: Nil).

The impact on account of applying the erstwhile Ind AS 18 "Revenue" instead of Ind AS 115 "Revenue" from contract with customers on the financials results of the Company for the year ended and as at 31st March, 2019 is insignificant.

Notes to Financial Statements
for the year ended 31st March, 2019

(₹ in lacs)

25. Other income	Year ended 31.03.2019	Year ended 31.03.2018
Other non operating income		
Interest income	15.16	28.60
Profit on sale of investment	-	19.18
Foreign exchange gain	7.65	47.20
Dividend received	-	12.81
Rent received	81.35	88.17
Gain from de-recognition of other financial assets	-	0.55
Unclaimed balances written off	0.12	-
Other miscellaneous income	2.78	62.05
Total	**107.06**	**258.56**

26. Cost of materials consumed	Year ended 31.03.2019	Year ended 31.03.2018
Raw material	15,935.01	14,340.87
Dyes & chemicals	299.96	212.41
Packing material	936.67	808.29
Accessories	3,439.82	2,632.27
Fabric	118.68	82.67
Steel	772.11	987.34
Dies & molds	478.44	1,401.95
Total	**21,980.69**	**20,465.80**

Notes to Financial Statements
for the year ended 31st March, 2019

(₹ in lacs)

27. Changes in inventories of finished goods, work-in-process and stock in trade	Year ended 31.03.2019	Year ended 31.03.2018
Inventories at the beginning of the year		
Work-in-process	350.33	221.71
Work-in-process of inhouse manufactured molds	751.03	392.10
Less: Work-in-process used in fixed assets	(77.80)	-
Finished goods	251.70	177.25
Total inventories at the beginning of the year (A)	**1,275.26**	**791.06**
Inventories at the end of the year		
Work-in-process	329.93	350.33
Work-in-process of inhouse manufactured molds	1,542.51	751.03
Finished goods	328.42	251.70
Total inventories at the end of the year (B)	**2,200.86**	**1,353.06**
Total (A-B)	**(925.60)**	**(562.00)**

28. Employee benefits expense	Year ended 31.03.2019	Year ended 31.03.2018
Salaries and wages	6,436.88	5,754.35
Contribution to provident and other funds	314.21	268.78
Staff welfare expenses	382.18	299.72
Total	**7,133.27**	**6,322.85**

29. Finance costs	Year ended 31.03.2019	Year ended 31.03.2018
Interest expense	394.36	389.83
Other borrowing costs	10.35	52.56
Total	**404.71**	**442.39**

30. Depreciation and amortization expense	Year ended 31.03.2019	Year ended 31.03.2018
Depreciation of property, plant and equipment (refer note 3)	2,420.90	2,377.66
Amortization of intangible assets (refer note 5)	178.63	221.30
Total	**2,599.53**	**2,598.96**

Notes to Financial Statements
for the year ended 31st March, 2019

(₹ in lacs)

31. Other expenses	Year ended 31.03.2019	Year ended 31.03.2018
Other manufacturing expenses		
Stores and spares consumed	127.31	173.14
Power and fuel	1,094.88	945.39
Excise duty variance on opening and closing stocks	-	(22.96)
Factory expenses	182.28	155.95
Repair & maintenance		
Building	89.43	166.62
Machinery	217.95	250.31
Others	88.39	162.78
Administrative and other expenses		
Rent	121.46	196.97
Rates & taxes	13.09	40.67
Listing expenses	4.38	5.88
Postage & telephone expenses	68.45	64.74
Printing & stationery	102.37	126.83
Traveling & conveyance expenses	636.31	622.61
Office electricity & water	7.93	3.19
Insurance charges	106.07	90.66
Factory security	109.37	91.81
Legal & professional charges	342.75	370.77
Meeting expenses	1.50	-
Motor car expenses	28.41	29.49
Bank charges	21.97	14.84
Fees & subscription	31.19	34.38
Provision for bad & doubtful debts	6.06	0.21
Corporate social responsibility expenses (refer note 50)	77.21	36.69
Directors sitting fees	23.20	14.19
Payment to collaborators / royalty	432.04	433.29
Charity & donation	1.01	0.23
Miscellaneous expenses	33.01	42.35
Auditors' remuneration		
- As audit fees	8.45	7.77
- For tax audit, certification & tax representations	8.59	9.18
- For other matters	8.68	9.25
- For reimbursement of expenses	0.10	0.15
Selling & distribution expenses		
Freight & forwarding expenses	1,166.58	920.20
Advertisement, publicity & sales promotion	29.30	50.20
Total	**5,189.72**	**5,047.78**

Notes to Financial Statements
for the year ended 31st March, 2019

(₹ in lacs)

32. Components of other comprehensive income (OCI) The disaggregation of changes to OCI by each type of reserve in equity is shown below: **During the year ended 31st March, 2019**	**Actuarial gains / losses on defined benefit employee obligations**	**Total**
Remeasurement gains / (losses) on defined benefit plans	(65.19)	(65.19)
Income tax effect	22.75	22.75
Total	**(42.44)**	**(42.44)**

During the year ended 31st March, 2018	**Actuarial gains / losses on defined benefit employee obligations**	**Total**
Remeasurement gains / (losses) on defined benefit plans	10.01	10.01
Income tax effect	(3.46)	(3.46)
Total	**6.55**	**6.55**

33. Earnings Per Share (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year. Diluted EPS are calculated by dividing the profit for the year attributable to the equity holders of the Company by weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	**Year ended 31.03.2019**	**Year ended 31.03.2018**
Profit for the year as per statement of profit & loss	3,341.63	3,741.17
Profit attributable to equity holders of the Company for basic earnings	**3,341.63**	**3,741.17**
	No. of Shares	
Weighted average number of equity shares in calculating basic EPS	1,40,00,000	1,40,00,000
Effect of dilution	-	-
Weighted average number of equity shares in calculating diluted EPS	**1,40,00,000**	**1,40,00,000**
Earnings per equity share		
Basic (₹)	23.87	26.72
Diluted (₹)	23.87	26.72
Face value of each equity share (₹)	**10**	**10**

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for the year ended 31st March, 2019

(₹ in lacs)

34. Employee benefit plans

Defined contribution plans - general description

Retirement benefits in the form of provident fund, superannuation fund and national pension scheme are defined contribution schemes. The Company has no obligation, other than the contribution payable to the provident fund. The Company's contribution to the provident fund is ₹ 230.34 lacs (31st March, 2018: ₹ 195.22 lacs).

Defined benefit plans - general description

Gratuity

The Company has a defined benefit gratuity plan. Gratuity is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement / termination / resignation. The benefit vests on the employee completing 5 years of service. The Company makes provision of such gratuity asset / liability in the books of accounts on the basis of actuarial valuation as per the projected unit credit method.

The following tables summarise the components of net benefit expense recognised in the statement of profit & loss and the funded status and amounts recognised in the balance sheet for the gratuity plan:

Changes in the present value of the defined benefit obligation are as follows:	**31.03.2019**	**31.03.2018**
Defined benefit obligation at the beginning of the year	621.96	537.49
Current service cost	62.22	62.11
Past service cost	(63.43)	17.67
Interest cost	47.95	40.53
Benefits paid	(61.28)	(25.83)
Actuarial (gain) / loss on obligations-OCI	65.19	(10.01)
Defined benefit obligation at the end of the year	**672.61**	**621.96**

Changes in the fair value of plan assets are as follows:	**31.03.2019**	**31.03.2018**
Fair value of plan assets at the beginning of the year	-	-
Contribution by employer	-	-
Benefits paid	-	-
Expected interest income on plan assets	-	-
Actuarial gain / (loss) on plan asset	**-**	**-**
Fair value of plan assets at the end of the year	**-**	**-**

Reconciliation of fair value of plan assets and defined benefit obligation	**31.03.2019**	**31.03.2018**
Fair value of plan assets	-	-
Defined benefit obligation	672.61	621.96
Amount recognised in the balance sheet	**672.61**	**621.96**

Amount recognised in statement of profit and loss	**31.03.2019**	**31.03.2018**
Current service cost	62.22	62.11
Net interest expense	47.95	40.53
Past service cost	(63.43)	17.67
Amount recognised in statement of profit and loss	**46.74**	**120.31**

Notes to Financial Statements
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(₹ in lacs)

Amount recognised in other comprehensive income	31.03.2019	31.03.2018
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	3.78	29.83
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial (gain) / loss arising from experience adjustments	61.41	(39.84)
Amount recognised in other comprehensive income	**65.19**	**(10.01)**

The principal assumptions used in determining gratuity liability for the Company's plans are shown below:

	31.03.2019	31.03.2018
Discount rate	7.80%	7.71%
Expected rate of return on plan assets	NA	NA
Future salary increases	5.50%	6.25%
Attrition rate (up to 30 years)	3.00%	3.00%
Attrition rate (from 30 to 45 years)	2.00%	2.00%
Attrition rate (above 45 years)	1.00%	1.00%
Retirement age	58 years	58 years

A quantitative sensitivity analysis for significant assumption as at 31st March, 2019 and 31st March, 2018 is as shown below:

Gratuity plan	Sensitivity level		Impact on defined benefit obligation	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Assumptions				
Discount rate	+0.50%	+0.50%	(31.83)	(28.13)
	-0.50%	-0.50%	34.39	30.52
Future salary increases	+0.50%	+0.50%	34.59	30.95
	-0.50%	-0.50%	(32.27)	(28.76)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. Sensitivities due to mortality and withdrawals are insignificant and hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

Company's best estimate of expense for the next annual reporting period is ₹124.95 lacs (31st March, 2018: ₹ 118.48 lacs).

The expected maturity analysis of undiscounted gratuity is as follows:	31.03.2019	31.03.2018
Within the next 12 months (next annual reporting period)	74.27	62.39
Between 1 to 2 years	10.31	9.89
Between 2 to 3 years	22.95	14.92
Between 3 to 4 years	10.40	22.26
Between 4 to 5 years	19.70	24.98
Between 5 to 6 years	19.55	13.05
Over 6 years	515.42	474.47
Total expected payments	**672.60**	**621.96**

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 17.29 years (31st March, 2018: 17.23 years).

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for the year ended 31st March, 2019

(₹ in lacs)

35. Leases

Operating leases taken

The Company has taken certain building on operating lease arrangements. The lease expense recognized in the statement of profit and loss is ₹ 121.46 lacs (31st March, 2018: ₹ 196.97 lacs). The future minimum lease payments under non-cancellable operating leases are as follows:

	As at 31.03.2019	As at 31.03.2018
Not later than one year	70.26	162.65
Later than one year and not later than five years	-	-
Later than five years	-	-
	70.26	**162.65**

Operating leases given

The Company has given certain properties on operating lease arrangements. The lease income recognised in the statement of profit and loss is ₹ 81.35 lacs (31st March, 2018: ₹ 88.17 lacs). The future minimum lease payments under non-cancellable operating leases are as follows:

	As at 31.03.2019	As at 31.03.2018
Not later than one year	49.03	81.36
Later than one year and not later than five years	-	-
Later than five years	-	-
	49.03	**81.36**

36. Commitments

(i) Retention charges and capital commitments (net of advances) are ₹ 505.51 lacs (31st March, 2018: ₹ 302.67 lacs).

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for the year ended 31st March, 2019

(₹ in lacs)

37. Contingent liabilities	As at 31.03.2019	As at 31.03.2018
Contingent liabilities not provided for in respect of		
Letters of guarantees	2,171.97	1,376.11
Letters of credit	455.33	326.69
Assignment of receivables	38.41	234.76
Income tax appeal		
For assessment year 2010-11	-	18.77
For assessment year 2012-13	-	3.00
For assessment year 2015-16	29.84	-
GST appeals (includes excise and sales tax demands)	116.79	201.04
Show cause notice for short payment of excise duty	410.05	-
Demand towards delay in commencement of production along with stipulated investment Company's plant at Pathredi claimed by Rajasthan State Industrial Development and Investment Corporation (RIICO)	103.57	103.57
Total	**3,325.96**	**2,263.94**

Notes:

(i) A demand of ₹ 29.84 lacs has been raised for the assessment year 2015-16. The Hon'ble CIT(Appeals) has allowed the appeal in our favour. However department has filed the appeal with ITAT(Delhi) against the order of the allowability of the royalty amount.

(ii) Central sales tax assessment for the assessment year 2004-05 was completed and a balance demand of ₹ 0.45 lacs was raised by the department. Appeal against the same is pending before the Joint Commissioner of Sales Tax (Appeals) and stay granted vide order no F/PA/Jt. Comm. (KDU) /02/Stay/ 410-411 dated 18.08.06.

(iii) Joint commissioner has demanded entry tax of ₹ 5.24 lacs on stock transfer of iron and steel for job work for the assessment year 2011-12. We have filed an appeal before the Additional Commissioner (Appeals) against the said demand. Additional Commissioner (Appeals) granted stay of 50% of demand. We have filed an appeal against the order of Additional Commissioner (Appeals) before Commercial Tax Tribunal (Noida, U.P.).

(iv) Joint Commissioner has demanded ₹ 31.16 lacs towards shortfall of Form C and ₹ 4.43 lacs towards central sales tax on stock transfer of iron and steel for job work for the assessment year 2012-13. We filed an appeal before the Additional Commissioner (Appeals) against the said demand. Additional Commissioner (Appeals) granted stay of 50% of total demand. We have filed an appeal against the order of Additional Commissioner (Appeals) before Commercial Tax Tribunal (Noida, U.P.).

(v) Joint Commissioner has demanded ₹ 2.69 lacs towards reversal of input tax credit on consumable goods for the assessment year 2013-14. We have filed an appeal before the Additional Commissioner (Appeals) against the said demand. Additional Commissioner (Appeals) has granted stay of 50% of total demand.

(vi) Demand of excise duty of ₹ 1.06 lacs along with penalty of ₹ 1.06 lacs was imposed on the Company by Additional Commissioner, Central Excise, Delhi, for cenvat credit taken on payment of duty through DEPB license, under the Central Excise Act, 1944. The Company had filed an appeal against the aforesaid order with Commissioner of Central Excise, Okhla. The Commissioner of central excise has rejected the appeal. Thereafter, the Company has filed the appeal with the Central Excise & Service Tax Appellate Tribunal (CESTAT) and the appeal is pending.

(vii) Demand of excise duty of ₹ 35.36 lacs along with penalty of ₹ 35.36 lacs was imposed on the Company by Additional Commissioner, Central Excise, Delhi, for cenvat credit taken on payment of duty through DEPB license, under the Central Excise Act, 1944 and was outstanding as on 31.03.2017.The Company had filed the appeal with the Central Excise & Service Tax Appellate Tribunal (CESTAT) and CESTAT has decided the case in favour of Company and set aside the demand. The Company approached the Delhi High Court against the order of CESTAT and the High Court has remanded the case back to CESTAT for hearing it again. The matter is pending in CESTAT, Delhi.

(viii) The Company has received show cause notice dated 12.03.2019 from Directorate General of Goods and Service Tax Intelligence, Gurugram, Zonal Unit alleging short payment of central excise duty (including education cess and S & H cess) to the tune of ₹ 410.05 lacs for the period FY 2013-14 to 30.06.2017 on the value of design / drawings / specifications supplied by Maruti Suzuki India Limited on FOC basis to the Company. ₹ 384.57 lacs relates to B-45, B-206A and B-4, Kasna, Uttar Pradesh plants and ₹ 25.47 lacs relates to Pathredi plant. The Company will be disputing the show cause for the above demand with The Additional / Joint Commissioner, Gautam Budh Nagar Commissionerate, Greater Noida, Uttar Pradesh and The Additional / Joint Commissioner, Alwar Commissionerate, Rajasthan.

(ix) RIICO has raised a demand of ₹ 103.57 lacs towards additional cost of land due to delay in commencement of production activities at its plant at Pathredi. The Company has disputed the matter with RIICO and the matter is pending.

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(₹ in lacs)

38. Related party disclosures

A. List of related parties

(a) Joint Venture	1. PPAP Tokai India Rubber Private Limited
(b) Key Management Personnel (KMP)	1. Mr. Ajay Kumar Jain, Chairman & Managing Director
	2. Mr. Abhishek Jain, CEO & Managing Director
	3. Mrs. Vinay Kumari Jain, Director
	4. Mr. Manish Dhariwal, Chief Financial Officer
	5. Mrs. Sonia Bhandari, Company Secretary
(c) Associates	1. PPAP Automotive Chennai Private Limited (upto 18.02.2019)
	2. PPAP Automotive Technology Private Limited
	3. PPAP Automotive Systems Private Limited
(d) Related parties in the group where common control exists	1. Kalindi Farms Private Limited
	2. Vinay and Ajay Jain Foundation

The following transactions were carried out with related parties in the ordinary course of business:

Related party transactions	Period	Related parties where common control exists	Joint ventures	Associates	Total
Rent & lease charges paid					
Kalindi Farms Private Limited	31.03.2019	49.00	-	-	49.00
	31.03.2018	77.70	-	-	77.70
CSR expenses paid					
Vinay and Ajay Jain Foundation	31.03.2019	40.32	-	-	40.32
	31.03.2018	-	-	-	-
Material / licence purchases					
PPAP Tokai India Rubber Private Limited	31.03.2019	-	0.05	-	0.05
	31.03.2018	-	0.66	-	0.66
Receipts for other services*					
PPAP Tokai India Rubber Private Limited	31.03.2019	-	190.86	-	190.86
	31.03.2018	-	430.55	-	430.55
Sales					
PPAP Tokai India Rubber Private Limited	31.03.2019	-	93.95	-	93.95
	31.03.2018	-	276.17	-	276.17

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

Net outstanding balance:

Related party	Period	Related parties where common control exists	Joint ventures	Associates	Total
Trade receivable					
PPAP Tokai India Rubber Private Limited	31.03.2019	-	25.84	-	25.84
	31.03.2018	-	35.42	-	35.42

Details relating to remuneration of KMP & their relatives

Name of KMP	31.03.2019		31.03.2018	
	Short-term employee benefits	Sitting fees	Short-term employee benefits	Sitting fees
Mr. Ajay Kumar Jain	248.15	-	233.09	-
Mr. Abhishek Jain	270.20	-	263.57	-
Mrs. Vinay Kumari Jain	-	5.60	-	3.20

Details relating to remuneration of KMP other than MD / Manager / Whole Time Director

Name of KMP	31.03.2019	31.03.2018
	Short-term employee benefits	Short-term employee benefits
Mr. Manish Dhariwal	42.09	38.48
Mrs. Sonia Bhandari	11.70	9.74

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(₹ in lacs)

39. Segment information

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. Based on the consideration of dominant sources and nature of risk & returns, the Company is considered an automotive components manufacturer. Most of the activities are revolving around this business and accordingly has only one reportable segment. The geographical location of its main operations and the internal organization / reporting and management structure supports such treatment.

40. Dues to micro and small enterprises

The dues to micro and small enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006), to the extent information available with the Company is given below:

	Particulars	31.03.2019	31.03.2018
(I)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principal amount due to micro and small enterprises	63.98	82.94
	Interest due on above	-	-
(II)	The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(III)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
(IV)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(V)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	-	-

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(₹ in lacs)

41. Fair values measurements

(i) Financial instruments by category

Particulars	31.03.2019		31.03.2018	
	FVTPL	Amortized cost	FVTPL	Amortized cost
Financial assets				
Investments (non current)*	-	4,853.80	-	4,854.20
Other financial assets (non current)	-	481.01	-	438.77
Trade receivables	-	5,742.42	-	5,523.17
Cash and cash equivalents	-	42.59	-	136.50
Other balances with banks	-	8.64	-	7.66
Loans	-	38.11	-	22.98
Other financial assets (current)	-	439.29	4.43	403.16
Total financial assets	-	11,605.86	4.43	11,386.44
Financial liabilities				
Borrowings (non current)	-	1,293.63	-	1,643.98
Borrowings (current)	-	375.95	-	121.09
Trade payables	-	4,020.61	-	3,155.21
Other financial liabilities (current)	-	2,384.62	-	3,507.80
Total financial liabilities	**-**	**8,074.81**	**-**	**8,428.08**

*Investment value includes investment in joint venture of ₹ 4,853 lacs (31st March, 2018: ₹ 4,853 lacs) and investment in associates of ₹ 0.40 lacs (31st March, 2018: ₹ 0.40 lacs) which are shown at cost in balance sheet as per Ind AS 27 'Separate Financial Statements'.

(ii) Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurements as a whole.

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: valuation techniques for which the lowest level inputs that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: valuation techniques for which the lowest level input which has a significant effect on fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities, other than those whose fair values are close approximations of their carrying values.

Financial assets and liabilities measured at fair value-recurring fair value measurements for which fair values are disclosed at 31st March, 2019

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Investments in mutual funds	31.03.2019	-	-	-	-
Foreign currency forward contracts	31.03.2019	-	-	-	-

There have been no transfers between Level 1 and Level 2 during the period.

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(₹ in lacs)

Assets and liabilities which are measured at amortized cost for which fair values are disclosed at 31st March, 2018:

	Date of valuation	Total	Fair value measurement using Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Investments in mutual funds	31.03.2018	-	-	-	-
Foreign currency forward contracts	31.03.2018	4.43	4.43	-	-
Financial liabilities					
Foreign currency forward contracts	31.03.2018	-	-	-	-

There have been no transfers between Level 1 and Level 2 during the period.

Assets and liabilities which are measured at amortized cost for which fair values are disclosed at 31st March, 2019:

	Date of valuation	Total	Fair value measurement using Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Security deposits paid	31.03.2019	218.95	-	-	218.95

There have been no transfers between Level 1 and Level 2 during the period.

Assets and liabilities which are measured at amortized cost for which fair values are disclosed at 31st March, 2018:

	Date of valuation	Total	Fair value measurement using Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Security deposits paid	31.03.2018	235.65	-	-	235.65

There have been no transfers between Level 1 and Level 2 during the period.

Valuation technique used to determine fair value:

(i) For cash and cash equivalents, trade receivables, loans other financial assets, short term borrowings, trade payables and other current financial liabilities the management assessed that they approximate their carrying amounts largely due to the short-term maturities of these instruments.

(ii) The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

(iii) The fair value of security deposits is determined using discounted cash flow analysis.

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for the year ended 31st March, 2019

(₹ in lacs)

42. Financial risk management objectives and policies

The Company's principal financial liabilities, comprise borrowings, trade payables and creditors for expenses. The Company's principal financial assets include investments, long term deposits, trade receivables, cash and short-term deposits / loan that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by the Board of Directors that advises on financial risks and the appropriate financial risk governance framework for the Company. The Board provides assurance to the Company's management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The management reviews and agrees policies for managing each of these risks, which are summarised below.

I. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include, deposits and FVTPL investments.

The sensitivity analysis of the above mentioned risk in the following sections relate to the position as at 31st March, 2019 and 31st March, 2018.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March, 2019 and 31st March, 2018.

A. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

	+ (increase) / - (decrease) in basis points	Gain / (loss) effect on PBT
31.03.2019		
INR	+50	(5.96)
INR	-50	5.96
31.03.2018		
INR	+50	(11.07)
INR	-50	11.07

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

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(₹ in lacs)

B. Foreign currency sensitivity

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). Foreign currency risk sensitivity is the impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The following tables demonstrate the sensitivity to a reasonably possible change in USD, JPY and EURO exchange rates, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material.

	Change in USD rate	Gain / (loss) effect on PBT
31.03.2019	+5%	(2.85)
	-5%	2.85
31.03.2018	+5%	(6.58)
	-5%	6.58
	Change in JPY rate	**Gain / (loss) effect on PBT**
31.03.2019	+5%	(7.65)
	-5%	7.65
31.03.2018	+5%	(39.69)
	-5%	39.69
	Change in EURO rate	**Gain / (loss) effect on PBT**
31.03.2019	+5%	0.02
	-5%	(0.02)
31.03.2018	+5%	0.69
	-5%	(0.69)

The movement in the pre-tax effect on profit and loss is a result of a change in the fair value of monetary assets and liabilities denominated in foreign currency.

II. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions.

Credit risk from investments with banks and other financial institutions is managed by the treasury functions in accordance with the management policies. Investments of surplus funds are only made with approved counterparties who meet the appropriate rating and / or other criteria, and are only made within approved limits. The management continually re-assess the Company's policy and update as required. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty failure.

The maximum credit risk exposure relating to financial assets is represented by the carrying value as at the balance sheet date.

A. Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit review and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

At the year end the Company does not have any significant concentrations of bad debt risk other than disclosed in Note 10.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 41. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

B. Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties.

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(₹ in lacs)

III. Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31.03.2019					
Borrowings (non current)	260.09	530.28	1,335.68	432.99	2,559.04
Borrowings (current)	375.95	-	-	-	375.95
Trade payables	4,020.61	-	-	-	4,020.61
Other financial liabilities (current)	1,594.88	-	-	-	1,594.88
Total	**6,251.53**	**530.28**	**1,335.68**	**432.99**	**8,550.48**
Year ended 31.03.2018					
Borrowings (non current)	298.75	896.25	1,707.97	499.71	3,402.68
Borrowings (current)	121.09	-	-	-	121.09
Trade payables	3,155.21	-	-	-	3,155.21
Other financial liabilities (current)	2,312.80	-	-	-	2,312.80
Total	**5,887.85**	**896.25**	**1,707.97**	**499.71**	**8,991.78**

IV. Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company is in automotive components manufacturing business and the management have assessed risk concentration as low.

43 . Capital management

The objective of the Company's capital management structure is to ensure that there remains sufficient liquidity within the Company to carry out committed work programme requirements. The Company monitors the long term cash flow requirements of the business in order to assess the requirement for changes to the capital structure to meet that objective and to maintain flexibility.

The Company manages its capital structure and makes adjustments to it, in light of changes to economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital, issue new shares for cash, repay debt, put in place new debt facilities or undertake other such restructuring activities as appropriate. No changes were made in the objectives, policies or processes during the year ended 31st March, 2019.

	31.03.2019	31.03.2018
Borrowings (non current)	1,293.63	1,643.98
Borrowings (current)	375.95	121.09
Trade payables	4,020.61	3,155.21
Other financial liabilities (current)	2,384.62	3,507.80
Total debts	**8,074.81**	**8,428.08**
Less: Cash and cash equivalents	42.59	136.50
Net debts	**8,032.22**	**8,291.58**
Total equity	**29,511.04**	**26,970.67**
Total debt and equity	**37,543.26**	**35,262.25**
Gearing ratio (%)	**21.51%**	**23.90%**

Notes to Financial Statements
for the year ended 31st March, 2019

(₹ in lacs)

44. Derivative instruments and unhedged foreign currency exposure

The amount of foreign currency exposure that are not hedged by derivative instruments or otherwise are as under:

	31.03.2019 Foreign currency	31.03.2019 Amount	31.03.2018 Foreign currency	31.03.2018 Amount
Foreign trade payables				
USD in lacs	1.86	134.66	7.40	481.79
JPY in lacs	231.78	153.03	1,893.71	1,160.73
Foreign trade receivables				
USD in lacs	1.18	77.67	5.38	350.23
JPY in lacs	0.17	0.10	598.80	367.03
EURO in lacs	0.01	0.41	0.17	13.88

45. Balance confirmation

Debit and credit balance of trade payables and trade receivables to the extent not confirmed are subject to confirmation and reconciliation with parties.

46. In the opinion of the Board of Directors and to the best of their knowledge and belief, the aggregate value of current assets on realization in the ordinary course of business will not be less than the amount at which these are stated in the balance sheet.

47. Disclosure of movement in provisions during the year as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets:

Particulars	Balance as on 01st April, 2018	Provided during the year	Paid / adjusted during the year	Balance as on 31st March, 2019
Non-current provisions				
Gratuity	621.96	111.93	(61.28)	672.61
Accumulated leaves	133.51	62.74	(67.93)	128.32
Income Tax	196.81	1,523.71	(1,691.43)	29.09
Total	**952.28**	**1,698.38**	**(1,820.64)**	**830.02**

48. Dividends paid and proposed

	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
A	**Paid during the year**		
	Interim dividend of FY 2018-19 ₹ 2.00 per equity share (FY 2017-18: ₹ 2.00 per equity share) of ₹ 10/- each [Including dividend distribution tax of ₹ 57.57 lacs (FY 2017-18: ₹ 57.00 lacs)]	337.57	337.00
	Final dividend for FY 2017-18: ₹ 2.50 per share (FY 2016-17: ₹ 1.75 per share) [Including dividend distribution tax of ₹ 71.25 lacs (FY 2016-17: ₹ 49.89 lacs)]	421.25	294.89
		758.82	**631.89**
B	**Proposed for approval at the annual general meeting (not recognised as a liability)**		
	Final dividend for FY 2018-19: ₹ 2.50 per share (FY 2017-18: ₹ 2.50 per share) [Including dividend distribution tax of ₹ 71.96 lacs (FY 2017-18: ₹ 71.25 lacs)]	421.96	421.25
		421.96	**421.25**

Notes to Financial Statements
for the year ended 31st March, 2019

(₹ in lacs)

49. Disclosure under Ind AS 7 'Statement of Cash Flows'

With effect from 01st April, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities.

	31.03.2018	Cash flows	Non-cash changes	31.03.2019
			Fair value changes	
Long term borrowings	2,838.98	(843.63)	88.02	2,083.37
Short term borrowings	121.09	254.86	-	375.95
Total liabilities from financing activities	**2,960.07**	**(588.77)**	**88.02**	**2,459.32**

50. Details of Corporate Social Responsibility (CSR) expenditure

	31.03.2019	31.03.2018
Amount required to be spent as per Section 135 of the Companies Act, 2013	77.16	48.58
Amount spent during the year on:		
(i) Construction / acquisition of an asset	-	-
(ii) On purpose other than (i) above	77.21	36.69

51. Research and development expenditure

Expenditure incurred in the R&D centres during FY19 and FY18 are given below:

Particulars	31.03.2019	31.03.2018
Capital expenditure	-	11.52
Revenue expenditure	316.75	446.19

In terms of our report of even date annexed
For O P Bagla & Co LLP
Chartered Accountants
F.R.N.: 000018N / N500091

Mukul Bagla
Partner
(Membership No. 094156)

Place: Noida
Date: 22nd May, 2019

For and on behalf of the Board
PPAP Automotive Limited

Ajay Kumar Jain
Chairman & Managing Director
DIN: 00148839

Abhishek Jain
CEO & Managing Director
DIN: 00137651

Manish Dhariwal
Chief Financial Officer

Sonia Bhandari
Company Secretary

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PPAP AUTOMOTIVE LIMITED

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **PPAP AUTOMOTIVE LIMITED** (hereafter referred as "the Company"), its joint venture and associate companies (collectively referred to as "the Group"), which comprise the consolidated Balance Sheet as at 31st March 2019, the consolidated statement of Profit and Loss, the consolidated Cash Flow Statement and the consolidated Statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies (hereinafter referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at 31st March, 2019, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the code of ethics issued by the Institute of Chartered Accountants of India (ICAI) and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue Recognition Revenue is recognized to the extent that economic benefit will flow to the Company and the revenue can be reliably measured. It is measured at fair value consideration received or receivable, net of returns and allowances, discounts and rebates. The Company recognizes revenue when it satisfies its performance obligation by transferring the goods to the customers. Revenue is key driver of the business and judgment is involved in determining when contractual obligations have been performed and to the extent that the right to consideration has been earned. The management of the Company focuses on revenue as a key performance measure which could create an incentive for revenue to be recognized before the risks and rewards have been transferred. We therefore identified revenue recognition as a significant risk and key audit matter.	Our audit work included, but was not restricted to: • We understood business revenue recognition policy and how they are applied, including the relevant controls, and tested controls over revenue recognition; • Analytical review of the revenue recognized over the year • Agreeing on a sample basis amounts of revenue to customer contracts and verifying the extent, timing and customer acceptance of goods, where relevant. • We performed cut-off testing for a sample of revenue transactions around the period end date, to check that they were recognized in the appropriate period; and • We discussed key contractual arrangements with management and obtained relevant documentation, including in respect of rebate and returns arrangements. The Company's accounting policy on revenue recognition is shown in note 2.3(h) to the financial statements and related disclosures are included in note 24. Based on our audit procedures we did not identify any evidence of material misstatement in the revenue recognized for the year ended 31st March, 2019 in the consolidated financial statements.

We have determined that there are no other key audit matters to communicate in our report.

Information other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and those Charged with Governance for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective board of directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing of the consolidated financial statements, the respective board of directors of the companies included in the Group are responsible for assessing the ability of the Group and of its associates and joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective board of directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group and of its associates and joint venture.

Auditors' Responsibility

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

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

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

5. evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. The Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of Section 143(11) of the Act is not applicable on consolidated financial statements as referred in proviso to para 2 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
   (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
   (c) the consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
   (d) in our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
   (e) on the basis of the written representations received from the Directors of the Company and Joint Venture Company as on 31st March, 2019 taken on record by the Board of Directors of the Company and Joint Venture and the reports of auditors of associates companies, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
   (f) with respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure-I".

With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated Ind AS financial statements;
ii. According to the information and explanations provided to us, the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
iii. There has been no delay in transferring amounts, required to be transferred during the year, to the Investor Education and Protection Fund by the Company.

For O P Bagla & Co LLP
Chartered Accountants
Firm Registration No. 000018N / N500091

Place: Noida
Date: 22nd May, 2019

Mukul Bagla
Partner
Membership no. 094156

ANNEXURE- I TO THE INDEPENDENT AUDITORS' REPORT

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2019, we have audited the internal financial controls over financial reporting of **PPAP AUTOMOTIVE LIMITED** (hereinafter referred to as "the Company") and its joint venture and associates (collectively referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls, and the guidance note issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company, its associates and joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For O P Bagla & Co LLP
Chartered Accountants
Firm Registration No. 000018N / N500091

Place: Noida
Date: 22nd May, 2019

Mukul Bagla
Partner
Membership no. 094156

CONSOLIDATED BALANCE SHEET
AS AT 31ST MARCH, 2019

(₹ in lacs)

Particulars	Notes	As at 31.03.2019	As at 31.03.2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	23,123.43	20,484.91
Capital work-in-progress	4	50.04	1,182.99
Other intangible assets	5	598.52	615.57
Intangible assets under development	5a	179.73	-
Financial assets			
a Investments	6	4,884.43	4,852.98
b Other financial assets	7	481.01	438.77
Other non-current assets	8	471.36	711.89
		29,788.52	**28,287.11**
Current assets			
Inventories	9	4,496.33	3,195.63
Financial assets			
a Trade receivables	10	5,742.42	5,523.17
b Cash and cash equivalents	11	42.59	136.50
c Other balances with banks	12	8.64	7.66
d Loans	13	38.11	22.98
e Other financial assets	7	439.29	407.59
Other current assets	14	954.76	1,046.93
		11,722.14	**10,340.46**
Total Assets		**41,510.66**	**38,627.57**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	1,400.00	1,400.00
Other equity	16	28,141.67	25,569.46
		29,541.67	**26,969.46**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	17	1,293.63	1,643.98
Provisions	18	712.01	671.17
Deferred tax liabilities (net)	19	905.24	970.55
Current liabilities			
Financial liabilities			
a Borrowings	17	375.95	121.09
b Trade payables	20		
- total outstanding dues of micro enterprises and small enterprises		63.98	82.94
- total outstanding dues of creditors other than micro enterprises and small enterprises		3,956.63	3,072.27
c Other financial liabilities	21	2,384.62	3,507.80
Other current liabilities	22	2,158.92	1,307.21
Provisions	18	88.92	84.30
Current tax liabilities (net)	23	29.09	196.80
Total Liabilities		**11,968.99**	**11,658.11**
Total Equity and Liabilities		**41,510.66**	**38,627.57**

Significant accounting policies 2

The accompanying Notes 1 to 52 form an integral part of these financial statements.

In terms of our report of even date annexed
For O P Bagla & Co LLP
Chartered Accountants
F.R.N.: 000018N / N500091

For and on behalf of the Board
PPAP Automotive Limited

Mukul Bagla
Partner
(Membership No. 094156)

Ajay Kumar Jain
Chairman & Managing Director
DIN: 00148839

Abhishek Jain
CEO & Managing Director
DIN: 00137651

Place: Noida
Date: 22nd May, 2019

Manish Dhariwal
Chief Financial Officer

Sonia Bhandari
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in lacs)

Particulars	Notes	Year ended 31.03.2019	Year ended 31.03.2018
INCOME			
Revenue from operations	24	41,098.04	40,884.57
Other income	25	107.06	258.56
Total Income (I)		**41,205.10**	**41,143.13**
EXPENSES			
Cost of materials consumed	26	21,980.69	20,465.80
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(925.60)	(562.00)
Excise duty on sale of goods		-	1,122.24
Employee benefits expense	28	7,133.27	6,322.85
Finance costs	29	404.71	442.39
Depreciation and amortization expense	30	2,599.53	2,598.96
Other expenses	31	5,189.73	5,047.78
Total Expenses (II)		**36,382.33**	**35,438.02**
Profit / (loss) before share of (profit) / loss of associates and a joint venture and tax from continuing operations (I-II)		**4,822.77**	**5,705.11**
Share of (profit) / loss of associates and a joint venture		32.23	189.88
Profit / (loss) before tax from continuing operations		**4,855.00**	**5,894.99**
Tax expenses	19		
Current tax		1,609.00	1,956.00
Adjustment of tax relating to earlier periods		(85.29)	5.33
Deferred tax		(42.56)	2.61
Profit / (loss) for the year		**3,373.85**	**3,931.05**
Other Comprehensive Income (OCI)	32		
Items that will not be reclassified to profit & loss in subsequent periods			
Re-measurement gains / (losses) on defined benefit plans		(65.19)	10.01
Share of other comprehensive income of associates and joint venture		(0.38)	1.10
Income tax effect on such items		22.75	0.28
Total other comprehensive income for the year, net of tax		**(42.82)**	**11.39**
Total comprehensive income for the year, net of tax		**3,331.03**	**3,942.44**
Earnings per equity share (computed on the basis of profit for the year)	33		
(1) Basic (in ₹)		24.10	28.08
(2) Diluted (in ₹)		24.10	28.08

Significant accounting policies 2

The accompanying Notes 1 to 52 form an integral part of these financial statements.

In terms of our report of even date annexed
For O P Bagla & Co LLP
Chartered Accountants
F.R.N.: 000018N / N500091

Mukul Bagla
Partner
(Membership No. 094156)

Place: Noida
Date: 22nd May, 2019

For and on behalf of the Board
PPAP Automotive Limited

Ajay Kumar Jain
Chairman & Managing Director
DIN: 00148839

Abhishek Jain
CEO & Managing Director
DIN: 00137651

Manish Dhariwal
Chief Financial Officer

Sonia Bhandari
Company Secretary

CONSOLIDATED CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in lacs)

Particulars		For the year ended 31.03.2019		For the year ended 31.03.2018
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax		4,822.77		5,705.11
Adjusted for				
Depreciation and amortization expense	2,599.53		2,598.96	
Provision employee benefits	(19.73)		122.57	
Interest expense	404.71		442.39	
Balances written off	0.28		-	
Provision for bad & doubtful debts	6.06		0.21	
Gain from de-recognition of other financial assets	-		(0.55)	
Profit on sale of investments	-		(19.18)	
Government grant	-		(168.28)	
Interest income	(15.16)	2,975.69	(28.60)	2,947.52
Operating Profit before Working Capital Changes		**7,798.46**		**8,652.63**
Working capital adjustments				
Decrease / (increase) in inventories	(1,300.70)		(890.71)	
Decrease / (increase) in trade and other receivables	77.26		(185.51)	
Movement in trade and other payables	999.31	(224.13)	2,358.54	1,282.32
Cash generated from operations		**7,574.33**		**9,934.95**
Direct taxes refunded / (paid)		(1,691.42)		(2,160.26)
Net cash from operating activities (A)		**5,882.91**		**7,774.69**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant, equipment	(2,303.63)		(4,011.65)	
Purchase of assets in CWIP	(1,770.75)		(865.44)	
Purchase of assets in intangible assets under construction	(179.73)			
Purchase of intangible assets	(161.58)		(197.73)	
Sale of tangible fixed assets	147.91		221.76	
Sale / (purchase) of current investments	-		251.12	
Profit on sale of investments	-		19.18	
Investment in fixed deposits (purchased) / matured	(59.92)		10.94	
Interest income	15.16		28.60	
Net cash used in investing activities (B)		**(4,312.54)**		**(4,543.22)**

CONSOLIDATED CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in lacs)

Particulars		For the year ended 31.03.2019		For the year ended 31.03.2018
C. CASH FLOW FROM FINANCING ACTIVITIES				
Interest expense	(316.69)		(357.12)	
Proceeds / (repayment) of long term borrowings	(843.63)		(1,615.33)	
Proceeds / (repayment) of short term borrowings	254.86		(705.67)	
Dividends paid (including dividend distribution tax)	(758.82)		(631.89)	
Net cash flow from financing activities (C)		**(1,664.28)**		**(3,310.01)**
Net increase in cash and cash equivalents (A+B+C)		**(93.91)**		**(78.54)**
Cash and cash equivalents at the begining of financial year		**136.50**		**215.04**
Cash and cash equivalents at the end of financial year		**42.59**		**136.50**
Components of cash and cash equivalents				
Cash on hand		11.10		12.01
Balance with banks:				
On current accounts		31.49		124.49
Deposits with maturity of less than 3 months		-		-
		42.59		**136.50**

Significant accounting policies Note 2

The accompanying Notes 1 to 52 form an integral part of these financial statements.

Note:

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7 'Statement of Cash Flows'.

In terms of our report of even date annexed
For O P Bagla & Co LLP
Chartered Accountants
F.R.N.: 000018N / N500091

Mukul Bagla
Partner
(Membership No. 094156)

Place: Noida
Date: 22nd May, 2019

For and on behalf of the Board
PPAP Automotive Limited

Ajay Kumar Jain
Chairman & Managing Director
DIN: 00148839

Abhishek Jain
CEO & Managing Director
DIN: 00137651

Manish Dhariwal
Chief Financial Officer

Sonia Bhandari
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31ST MARCH, 2019

A. Equity share capital (refer note 15) (₹ in lacs)

Equity shares of ₹ 10 each issued, subscribed and fully paid	No. of shares	Amount
At 01st April, 2017	**1,40,00,000**	**1,400.00**
Issue of share capital	-	-
At 31st March, 2018	**1,40,00,000**	**1,400.00**
Issue of share capital	-	-
At 31st March, 2019	**1,40,00,000**	**1,400.00**

B. Other equity

	Reserves and Surplus			Items of OCI	Total equity (refer note 16)
	General reserve	Securities premium	Retained earnings	Re-measurement gains / (losses) on defined benefit plans	
As at 01st April, 2017	**1,158.95**	**7,000.00**	**14,113.32**	**(13.36)**	**22,258.91**
Net income / (loss) for the year	-	-	3,931.05	-	3,931.05
Other comprehensive income (Note 32)	-	-	-	11.39	11.39
Total comprehensive income	**-**	**-**	**3,931.05**	**11.39**	**3,942.44**
Interim dividend	-	-	(280.00)	-	(280.00)
Dividend distribution tax on interim dividend	-	-	(57.00)	-	(57.00)
Final dividend	-	-	(245.00)	-	(245.00)
Dividend distribution tax on final dividend	-	-	(49.89)	-	(49.89)
As at 31st March, 2018	1,158.95	7,000.00	17,412.48	(1.97)	25,569.46
Net income / (loss) for the year	**-**	**-**	**3,373.85**	**-**	**3,373.85**
Other comprehensive income (Note 32)	-	-		(42.82)	(42.82)
Total comprehensive income	-	-	3,373.85	(42.82)	3,331.03
Final dividend	**-**	**-**	**(350.00)**	**-**	**(350.00)**
Dividend distribution tax on final dividend	-	-	(71.25)	-	(71.25)
Interim dividend	-	-	(280.00)	-	(280.00)
Dividend distribution tax on interim dividend	-	-	(57.57)	-	(57.57)
As at 31st March, 2019	**1,158.95**	**7,000.00**	**20,027.51**	**(44.79)**	**28,141.67**

Significant accounting policies Note 2

The accompanying Notes 1 to 52 form an integral part of these financial statements.

In terms of our report of even date annexed
For O P Bagla & Co LLP
Chartered Accountants
F.R.N.: 000018N / N500091

Mukul Bagla
Partner
(Membership No. 094156)

Place: Noida
Date: 22nd May, 2019

For and on behalf of the Board
PPAP Automotive Limited

Ajay Kumar Jain
Chairman & Managing Director
DIN: 00148839

Abhishek Jain
CEO & Managing Director
DIN: 00137651

Manish Dhariwal
Chief Financial Officer

Sonia Bhandari
Company Secretary

Consolidated Notes to Financial Statements
for the year ended 31st March, 2019

1. Corporate information

PPAP AUTOMOTIVE LIMITED (“PPAP” or “the Company”) is a limited Company domiciled in India and was incorporated on 18th October, 1995. The registered office of the Company is located at 54, Okhla Industrial Estate, Phase-III, New Delhi-110020 and the corporate office is situated at B-206A, Sector-81, Phase-II, Noida-201305, U.P.

PPAP is a leading manufacturer of automotive sealing systems, interior and exterior automotive parts in India. The Company’s state of the art manufacturing facilities is located in Noida (UP), Greater Noida (UP), Vallam Vadagal (Tamil Nadu), Pathredi (Rajasthan) ana Viramgam (Gujarat). The Company is listed on the Indian stock exchange (BSE / NSE) since 2008. The financial statements of the Company for the year ended 31st March, 2019 were authorized for issue in accordance with a resolution of the Directors on 22nd May, 2019.

In 2012, the Company has ventured into EPDM Rubber based automotive sealing system by establishing a Joint Venture with its Technology Partner Tokai Kogyo Co. Limited-Japan.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

For all periods up to and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with Indian GAAP including accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31st March, 2018 are the first being prepared in accordance with Ind AS.

The financial statements have been prepared on a historical cost basis, except for the certain assets and liabilities which have been measured at different basis and such basis has been disclosed in relevant accounting policy.

The financial statements are presented in INR and all values are rounded to the nearest lac (INR 00,000), except when otherwise indicated.

2.2 Basis of Consolidation

(i) Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iii) below), after initially being recognized at cost.

(ii) Joint arrangements

Under Ind AS 111 ‘Joint Arrangements’, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. PPAP has one joint venture. Interests in joint ventures are accounted for using the equity method (see (iii) below), after initially being recognized at cost in the consolidated balance sheet.

(iii) Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognise the group’s share of the post-acquisition profits or losses of the investee in profit and loss, and the group’s share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment.

When the group’s share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group’s interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

Consolidated Notes to Financial Statements
for the year ended 31st March, 2019

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 2.3(f) below.

2.3 Significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset / liability is treated as current when it is:

- expected to be realised or intended to be sold or consumed or settled in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised / settled within twelve months after the reporting period, or;
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period; and
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

b. Property, plant and equipment

i) Tangible assets

Under the previous GAAP (Indian GAAP), property, plant and equipment were carried in the balance sheet at cost net of accumulated depreciation and accumulated impairment losses, if any as at 31st March, 2016. The Company has elected to regard those values of property as deemed cost at the date of the transition to Ind AS, i.e., 01st April, 2016.

Property, plant and equipment are stated at cost [i.e. cost of acquisition or construction inclusive of freight, erection and commissioning charges, non-refundable duties and taxes, expenditure during construction period, borrowing costs (in case of a qualifying asset) upto the date of acquisition / installation], net of accumulated depreciation and accumulated impairment losses, if any.

When significant parts of property, plant and equipment (identified individually as component) are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Whenever major inspection / overhaul / repair is performed, its cost is recognized in the carrying amount of respective assets as a replacement, if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit and loss.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Property, plant and equipment are eliminated from financial statements, either on disposal or when retired from active use. Losses / gains arising in case retirement / disposals of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

Depreciation on property, plant and equipment 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 as given below:

Particulars	Useful lives
Dies and moulds	6 years

Leasehold improvements are amortized over the period of the lease or the useful life of the asset, whichever is lower.

The residual values, useful lives and methods of depreciation / amortization of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Consolidated Notes to Financial Statements
for the year ended 31st March, 2019

ii) Capital work in progress

Capital work in progress includes construction stores including material in transit / equipment / services, etc. received at site for use in the projects.

All revenue expenses incurred during construction period, which are exclusively attributable to acquisition / construction of fixed assets, are capitalized at the time of commissioning of such assets.

c. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization.

Intangible assets with finite lives (i.e. software and licenses) are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and method for an intangible asset is reviewed at least at the end of each reporting period.

Costs relating to computer software and technical know-how are capitalized and amortized on SLM over their estimated useful economic life of six years.

d. Research & development costs

Research and development costs that are in nature of tangible assets and are expected to generate probable future economic benefits are capitalized as tangible assets. Revenue expenditure on research and development is charged to the statement of profit and loss in the year in which it is incurred.

e. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur.

f. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash-Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

g. Inventories

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, wherever considered necessary. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw material, stores and spares, packing materials, trading and other products are determined on FIFO basis. Work-in-progress is carried at cost or net realisable value whichever is lower.

h. Revenue recognition

The Company derives revenues primarily from manufacturing and sale of automotive components and moulds.

With effect from 01st April, 2018, the Company adopted Ind AS 115 'Revenue from Contracts with Customers' using the cumulative catch-up transition method and applied to contracts that were not completed as of 01st April, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and / or revised significant accounting policies related to revenue recognition. Refer note 2 "Significant Accounting Policies," in the Company's 2018 Annual Report for the policies in effect for revenue prior to 01st April, 2018. The effect on adoption of Ind AS 115 was insignificant.

Consolidated Notes to Financial Statements
for the year ended 31st March, 2019

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Arrangements with customers for sale of automotive components and moulds are mostly on a fixed-price basis.

Revenue from fixed price contracts are recognized when the performance obligations are satisfied upon delivery of components to the customers and where there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the rateable allocation of the discounts / incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount / incentive. Also, when the level of discount varies with increase in levels of revenue transactions, the Company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The Company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as unearned revenues).

Dividend income is recognized when the right to receive payment is established.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

i. Foreign currency transactions

The Company's financial statements are presented in INR, which is also its functional currency.

Foreign currency transactions are initially recorded in functional currency using the exchange rates at the date the transaction.

At each balance sheet date, foreign currency monetary items are reported using the exchange rate prevailing at the year end.

Exchange differences arising on settlement or translation of monetary items are recognized in statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

j. Taxes on income

Current tax

Current tax is measured at the amount expected to be paid / recovered to / from the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized directly in equity / other comprehensive income is recognized under the respective head and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognized amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternate Tax (MAT), paid in accordance with the Income Tax Act, 1961 gives rise to expected future economic benefits in the form of adjustment of future tax liability arising within a specified period, is recognized as an asset only to the

Consolidated Notes to Financial Statements
for the year ended 31st March, 2019

extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of MAT credit asset is written down to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Tax relating to items recognized directly in equity / other comprehensive income is recognized in respective head and not in the statement of profit and loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

k. Employee benefits

All employee benefits that are expected to be settled wholly within twelve months after the end of period in which the employee renders the related services are classified as short-term employee benefits. Benefits such as salaries, wages, short-term compensated absences, etc. are recognized as expense during the period in which the employee renders related service.

The Company's contribution to the provident fund is remitted to provident fund authorities and are based on a fixed percentage of the eligible employee's salary and debited to statement of profit and loss.

Gratuity is a defined benefit obligation.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability are recognized immediately in the balance sheet with a corresponding debit or credit to 'other equity' through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to statement of profit & loss in subsequent periods.

Past service costs are recognized in statement of profit & loss in the period of plan amendment.

Compensated absences and other benefits like gratuity which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a non-current liability at the present value of the defined benefit obligation at the balance sheet date.

l. Royalty

The Company pays / accrues for royalty in accordance with the relevant licence agreement with the technical know-how provider. The lump sum royalty incurred towards obtaining technical assistance / technical know-how and engineering support to manufacture new parts, ownership of which rests with the technical know-how provider, is recognized as an intangible asset. Royalty payable on sales of products i.e. running royalty is charged to the statement of profit and loss as and when incurred.

m. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the transaction. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Consolidated Notes to Financial Statements
for the year ended 31st March, 2019

For arrangements entered into prior to 01st April, 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss. Contingent rentals are recognized as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term however, rent expenses shall not be straight lined, if escalation in rentals is in line with expected inflationary cost.

n. Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

o. Earnings per share

Basic earnings per equity share is computed by dividing the net profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

p. Recent accounting pronouncements

Ind AS 116 'Leases': On 30th March, 2019, Ministry of Corporate Affairs has notified Ind AS 116 'Leases'. Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases, and related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after 01st April, 2019. The standard permits two possible methods of transition:

a. Full retrospective- Retrospectively to each prior period presented applying Ind AS 8 'Accounting Policies' Changes in Accounting Estimates and Errors; and

Consolidated Notes to Financial Statements

for the year ended 31st March, 2019

b. Modified retrospective- Retrospectively, with the cumulative effect of initially applying the standard recognized at the date of initial application. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

   i. it's carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application; or

   ii. an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'modified retrospective approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (01st April, 2019). Accordingly, comparatives for the year ended 31st March, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

The Company is currently evaluating the effect of this amendment on the consolidated financial statements.

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

The standard permits two possible methods of transition - i) Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 01st April, 2019. The Company will adopt the standard on 01st April, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. 01st April, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the consolidated financial statements.

Amendment to Ind AS 12 'Income taxes': On 30th March, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. Effective date for application of this amendment is annual period beginning on or after 01st April, 2019. The Company does not have any impact on account of this amendment.

Amendment to Ind AS 19 'Plan Amendment, Curtailment or Settlement: On 30th March, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

a. to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

b. to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 01st April, 2019. The Company does not have any impact on account of this amendment.

Consolidated Notes to Financial Statements
for the year ended 31st March, 2019

q. **Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

r. **Fair value measurement**

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1- quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2- valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3- valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

s. **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

Classification

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in below categories:

- **Financial assets carried at amortized cost**

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

- **Financial assets at fair value through other comprehensive income**

  A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

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for the year ended 31st March, 2019

- **Financial assets at fair value through profit or loss**
  A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Derecognition

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Investment in subsidiaries, joint ventures and associates

The company has accounted for its investment in subsidiaries, joint ventures and associates at cost.

Impairment of financial assets

The Company assesses impairment based on Expected Credit Losses (ECL) model for measurement and recognition of impairment loss, the calculation of which is based on historical data, on the financial assets that are trade receivables or contract revenue receivables and all lease receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables or contract revenue receivables and all lease receivables resulting from transactions within the scope of Ind AS 17.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. On that basis, the Company estimates the following provision matrix at the reporting date:

	0-180 days past due	More than 180 days past due
Default rate	0.05%	2.00%

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income / expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

(b) Financial liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortized cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

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Initial recognition and measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at amortized cost**

  After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

  Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of P&L.

- **Financial liabilities at fair value through profit or loss**

  Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of P&L.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of P&L.

(c) Offsetting of financial instruments

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

(d) Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps, full currency swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of P&L.

t. Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an asset, the cost of the asset is shown at gross value and grant thereon is treated as capital grant which is recognized as income in statement of P&L over the period and in proportion in which depreciation is charged.

When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

Consolidated Notes to Financial Statements
for the year ended 31st March, 2019

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

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

2.3 Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgments, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively:

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

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for the year ended 31st March, 2019

(b) Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(c) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(d) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

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for the year ended 31st March, 2019

(₹ in lacs)

3. Property, plant and equipment

	Land	Factory Building	Plant & Machinery	Furniture & fixtures	Vehicle	Office Equipment	Dies & Moulds	Computer	Total
Cost									
As at 01st April, 2017	1,619.22	5,747.10	10,567.77	357.17	1,129.39	218.97	1,427.40	192.30	21,259.32
Additions	144.57	1,554.91	1,696.38	72.03	203.86	73.38	186.70	79.82	4,011.65
Disposals	-	-	229.35	0.49	57.22	-	1.70	1.16	289.92
As at 31st March, 2018	**1,763.79**	**7,302.01**	**12,034.80**	**428.71**	**1,276.03**	**292.35**	**1,612.40**	**270.96**	**24,981.05**
Additions	394.31	1,990.88	2,112.48	220.46	151.80	65.24	222.60	49.56	5,207.33
Disposals	-	-	7.28	0.07	286.84	0.12	-	0.02	294.33
As at 31st March, 2019	**2,158.10**	**9,292.89**	**14,140.00**	**649.10**	**1,140.99**	**357.47**	**1,835.00**	**320.50**	**29,894.05**
Depreciation									
As at 01st April, 2017	-	238.41	1,312.08	42.46	120.83	54.97	348.41	69.48	2,186.64
Depreciation charge for the year 2017-18	-	252.64	1,493.13	43.00	166.57	61.06	302.58	58.68	2,377.66
Disposals	**-**	**-**	**32.28**	**0.04**	**34.52**	**-**	**0.27**	**1.05**	**68.16**
As at 31st March, 2018	-	491.05	2,772.93	85.42	252.88	116.03	650.72	127.11	4,496.14
Depreciation charge for the year 2018-19	5.99	338.80	1,449.94	59.74	188.50	61.40	255.38	61.15	2,420.90
Disposals	**-**	**0.49**	**31.88**	**-**	**114.05**	**-**	**-**	**-**	**146.42**
As at 31st March, 2019	**5.99**	**829.36**	**4,190.99**	**145.16**	**327.33**	**177.43**	**906.10**	**188.26**	**6,770.62**
Net book value									
As at 31st March, 2019	2,152.11	8,463.53	9,949.01	503.94	813.66	180.04	928.90	132.24	23,123.43
As at 31st March, 2018	1,763.79	6,810.96	9,261.87	343.29	1,023.15	176.32	961.68	143.85	20,484.91
As at 01st April, 2017	1,619.22	5,508.69	9,255.69	314.71	1,008.56	164.00	1,078.99	122.82	19,072.68

4. Capital work-in-progress	**Plant & Machinery**	**Building Construction**	**Total**
As at 01st April, 2017	294.90	22.65	317.55
Additions	1,051.94	1,906.76	2,958.70
Disposals / capitalizations	1,071.83	1,021.43	2,093.26
As at 31st March, 2018	**275.01**	**907.98**	**1,182.99**
Additions	729.71	1,041.04	1,770.75
Disposals / capitalizations	998.49	1,905.21	2,903.70
As at 31st March , 2019	**6.23**	**43.81**	**50.04**

Consolidated Notes to Financial Statements
for the year ended 31st March, 2019

(₹ in lacs)

5. Other intangible assets	Software	Technical Know How	Total
Cost			
As at 01st April, 2017	128.57	721.80	850.37
Additions	109.31	88.42	197.73
Disposals	-	-	-
As at 31st March, 2018	**237.88**	**810.22**	**1,048.10**
Additions	6.71	154.87	161.58
Disposals	-	-	-
As at 31st March, 2019	**244.59**	**965.09**	**1,209.68**
Amortization			
As at 01st April, 2017	28.56	182.67	211.23
Amortization charge for the year 2017-18	35.80	185.50	221.30
Disposals	**-**	**-**	**-**
As at 31st March, 2018	64.36	368.17	432.53
Amortization charge for the year 2018-19	38.09	140.54	178.63
Disposals	**-**	**-**	**-**
As at 31st March, 2019	**102.45**	**508.71**	**611.16**
Net book value			
As at 31st March, 2019	142.14	456.38	598.52
As at 31st March, 2018	173.52	442.05	615.57
As at 01st April, 2017	100.01	539.13	639.14

5a. Intangible assets under development	Software
As at 01st April, 2017	
Additions	-
Disposals / capitalizations	-
As at 31st March, 2018	**-**
Additions	179.73
Disposals / capitalizations	-
As at 31st March, 2019	**179.73**

Consolidated Notes to Financial Statements
for the year ended 31st March, 2019

(₹ in lacs)

6. Investments	Non-current	
	As at 31.03.2019	**As at 31.03.2018**
(a) Investment in equity shares of joint venture company at cost		
Unquoted		
PPAP Tokai India Rubber Private Limited 4,85,00,000 (31st March, 2018: 4,85,00,000) equity shares of ₹10 each fully paid up	4,884.22	4,852.62
Total	**4,884.22**	**4,852.62**
(b) Investments in equity shares of associates at cost		
Unquoted		
PPAP Automotive Chennai Private Limited Nil (31st March, 2018: 40,000) equity shares of ₹10 each fully paid up	-	0.01
PPAP Automotive Technology Private Limited 40,000 (31st March, 2018: 40,000) equity shares of ₹10 each fully paid up	0.06	0.13
PPAP Automotive Systems Private Limited 40,000 (31st March, 2018: 40,000) equity shares of ₹10 each fully paid up	0.15	0.22
	0.21	0.36
Total	**4,884.43**	**4,852.98**
Aggregate book value of quoted investments	**-**	**-**
Aggregate market value of quoted investments	**-**	**-**
Aggregate value of unquoted investments	**4,884.43**	**4,852.98**
Aggregate amount of impairment in value of investments	**-**	**-**

7. Other financial assets	Non-current		Current	
(Unsecured, considered good)	**As at 31.03.2019**	**As at 31.03.2018**	**As at 31.03.2019**	**As at 31.03.2018**
Security deposits	218.95	235.65	-	-
Bank deposits (having maturity more than 12 months)	262.06	203.12	-	-
Government grant receivable	-	-	394.12	402.78
Interest accrued on deposits	-	-	0.96	0.38
Insurance claim receivable	-	-	44.21	-
Derivative instruments at fair value through profit or loss				
Foreign exchange forward contracts receivables	-	-	-	4.43
Total	**481.01**	**438.77**	**439.29**	**407.59**

Derivative instruments at fair value through profit or loss

Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

Bank deposits (having maturity more than 12 months)

Bank deposits are held as security against letter of credit and bank guarantees.

Consolidated Notes to Financial Statements
for the year ended 31st March, 2019

8. Other non-current assets (Unsecured, considered good)	As at 31.03.2019	As at 31.03.2018
Capital advances	436.24	697.32
Prepaid expenses	35.12	14.57
Total	**471.36**	**711.89**

9. Inventories	As at 31.03.2019	As at 31.03.2018
Raw materials	2,285.79	1,570.80
Work-in-process	1,872.44	1,365.07
Finished goods	328.42	251.70
Stores and spares	9.68	8.06
Total	**4,496.33**	**3,195.63**

Note:

For mode of valuation refer accounting policy number 2.3(g)

10. Trade receivables	As at 31.03.2019	As at 31.03.2018
Unsecured, considered good	5,742.42	5,523.17
Unsecured, considered doubtful	8.83	2.77
Less: Provision for doubtful receivables	8.83	2.77
Trade recievables: Which have significant increase in credit risk	-	-
Trade recievables: Credit impaired	-	-
Total	**5,742.42**	**5,523.17**

No trade receivable are due from Directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies respectively in which any Director is a partner, a director or a member.

11. Cash and cash equivalents	As at 31.03.2019	As at 31.03.2018
Balances with banks		
On current accounts	31.49	124.49
Deposits with maturity of less than 3 months	-	-
Cash on hand	11.10	12.01
	42.59	**136.50**
For the purpose of statement of cash flows, cash and cash equivalents comprises the following:		
Balance with banks		
On current accounts	31.49	124.49
Deposits with maturity of less than 3 months	-	-
Cash on hand	11.10	12.01
Total	**42.59**	**136.50**

Consolidated Notes to Financial Statements

for the year ended 31st March, 2019

(₹ in lacs)

12. Other balances with banks	As at 31.03.2019	As at 31.03.2018
Bank deposits with maturity for 3 to 12 months (earmarked balances with banks)	8.64	7.66
Total	**8.64**	**7.66**

13. Loans	As at 31.03.2019	As at 31.03.2018
Loans to related parties		
Unsecured, considered good	-	-
Other loans		
(Unsecured, considered good)		
Loan to staff	38.11	22.98
Total	**38.11**	**22.98**

Loans are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

14. Other current assets (Unsecured, considered good)	As at 31.03.2019	As at 31.03.2018
Advance to suppliers & contractors	375.90	530.99
Prepaid expenses	90.87	129.16
Balances with government authorities	487.99	386.78
Total	**954.76**	**1,046.93**

Consolidated Notes to Financial Statements
for the year ended 31st March, 2019

(₹ in lacs)

15. Equity share capital	As at 31.03.2019	As at 31.03.2018
Authorised		
2,00,00,000 equity shares of ₹ 10 each (31st March, 2018: 2,00,00,000 equity shares of ₹ 10 each)	2,000.00	2,000.00
Subscribed and fully paid up		
1,40,00,000 equity shares of ₹ 10 each (31st March, 2018: 1,40,00,000) equity shares of ₹ 10 each)	1,400.00	1,400.00

A. Reconciliation of the shares outstanding at the beginning and at the end of the year

	As at 31.03.2019		As at 31.03.2018	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	1,40,00,000	1,400.00	1,40,00,000	1,400.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	**1,40,00,000**	**1,400.00**	**1,40,00,000**	**1,400.00**

B. Terms / rights attached to equity shares

The Company has only one class of equity share having face value of ₹ 10 per share. The holder of the equity shares is entitled to receive dividend as declared from time to time. The dividend proposed by the Board of Directors is subject to approval of the shareholders in ensuing annual general meeting. The holder of share is entitled to voting rights proportionate to their shareholding.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive assets of the Company remaining after settlement of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

C. Following shareholders hold equity shares more than 5% of the total equity shares of the Company:

Name of Shareholder	As at 31.03.2019		As at 31.03.2018	
	Number of shares	% of holding in class	Number of shares	% of holding in class
Ajay Kumar Jain	38,67,180	27.62%	38,67,180	27.62%
Abhishek Jain	10,02,404	7.16%	10,02,404	7.16%
Kalindi Farms Private Limited	18,58,982	13.28%	18,44,082	13.17%

D. Aggregate number and class of shares for a period of 5 years immediately preceding pursuant to contract(s) without payment being received in cash

	As at 31.03.2019	As at 31.03.2018
Aggregate number and class of shares for a period of 5 years immediately preceding pursuant to contract(s) without payment being received in cash	Nil	Nil

Consolidated Notes to Financial Statements
for the year ended 31st March, 2019

(₹ in lacs)

16. Other equity	Amount
a) Securities premium	
As at 01st April, 2017	**7,000.00**
Issue of equity shares	-
As at 31st March, 2018	**7,000.00**
Issue of equity shares	**-**
As at 31st March, 2019	**7,000.00**
b) Actuarial gains / losses on defined benefit employee obligations	
As at 01st April, 2017	**(13.36)**
Other comprehensive income for the year 2017-18	11.39
As at 31st March, 2018	**(1.97)**
Other comprehensive income for the year 2018-19	(42.82)
As at 31st March, 2019	**(44.79)**
c) General reserve	
As at 01st April, 2017	**1,158.95**
Add: Transferred from retained earnings	**-**
As at 31st March, 2018	**1,158.95**
Add: Transferred from retained earnings	**-**
As at 31st March, 2019	**1,158.95**
d) Retained earnings	
As at 01st April, 2017	**14,113.32**
Profit for the year 2017-18	3,931.05
Less: Interim dividend paid	(280.00)
Less: Distribution tax paid on interim dividend	(57.00)
Less: Final dividend paid	(245.00)
Less: Distribution tax paid on final dividend	(49.89)
As at 31st March, 2018	17,412.48
Profit for the year 2018-19	**3,373.85**
Less: Final dividend paid	(350.00)
Less: Distribution tax paid on final dividend	(71.25)
Less: Interim dividend paid	(280.00)
Less: Distribution tax paid on interim dividend	(57.57)
As at 31st March, 2019	20,027.51
Total other equity	
As at 31st March, 2019	**28,141.67**
As at 31st March, 2018	**25,569.46**
As at 01st April, 2017	**22,258.91**

Nature and purpose of reserves

a) Securities premium

The amount received in excess of face value of the equity shares is recognised in securities premium.

b) Actuarial gains / losses on defined benefit employee obligations

The amount of actuarial gains / losses recognised on post employment defined benefit employee obligations till date. Actuarial gains / losses are differences between any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans which are recognised in 'other comprehensive income' and subsequently not reclassified to the statement of profit and loss.

c) General reserve

The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provision of the Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

d) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to investors.

Consolidated Notes to Financial Statements
for the year ended 31st March, 2019

(₹ in lacs)

17. Borrowings	Non-current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Secured				
Term loans				
Term loan from banks	749.37	1,746.60	-	-
Term loan from financial institution	1,267.04	748.79	-	-
Vehicle loans				
From banks	66.96	343.59	-	-
Less: Current maturities	(789.74)	(1,195.00)	-	-
Working capital loans from banks (refer note III below)	-	-	375.95	121.09
Short term loans from banks				
Letter of credit (refer note III below)	-	-	-	-
Total	**1,293.63**	**1,643.98**	**375.95**	**121.09**

Terms of borrowings

Type of loan	Loan outstanding		Rate of interest	Security guarantee	Repayment terms
	As at 31.03.2019	As at 31.03.2018			
Term loan from banks	749.37	1,746.60	8.40% to 8.80% per annum	Refer note I	Repayable in 20 quarterly installments
Term loan from financial institution	1,267.04	748.79	Nil	Refer note II	Repayable in one installment after seven years from the date of disbursement i.e. 29.10.2015 for ₹ 809.38 lacs, 27.12.2016 for ₹ 499.71 lacs and 02.11.2018 for ₹ 432.99 lacs.
Vehicle loans from banks	66.96	343.59	10.25% to 13% per annum	Secured by way of hypothecation of vehicles.	Repayable in equal monthly installments of 18 to 60 months
Working capital loans from banks	375.95	121.09	7.95% to 8.85% per annum	Refer note III	On demand

Note I:

Term loans are secured by 1st charge on all movable assets (present and future) of the Company. Term loans are further secured by way of equitable mortgage on factory land and building of the Company situated at Kasna, Greater Noida. The charges are ranked pari-passu with the charges shared with other bankers.

Note II:

Loan from State Owned Corporation, viz. The Pradeshiya Industrial & Investment Corporation of U.P. Limited is secured by bank guarantee equivalent to 100% of loan amount.

Note III:

Secured by hypothecation of inventories, book debts, other current assets, factory land and building situated at B-206A, Sector-81, Phase-II, Noida.

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(₹ in lacs)

18. Provisions	Non-current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Provision for employee benefits				
Provision for gratuity (Refer note 34 for Ind AS 19 disclosures)	598.23	559.57	74.38	62.39
Provision for compensated absences	113.78	111.60	14.54	21.91
Total	**712.01**	**671.17**	**88.92**	**84.30**

19. Income Taxes

The major components of income tax expense for the year ended 31st March, 2019 and 31st March, 2018 are:

A. Statement of profit and loss

(i) Profit & loss section	As at 31.03.2019	As at 31.03.2018
Current income tax charge	1,609.00	1,956.00
Adjustments in respect of current income tax of previous year	(85.29)	5.33
MAT credit entitlement utilized / (claimed)	-	-
Deferred tax		
Relating to origination and reversal of temporary differences	(42.56)	2.61
Income tax expense reported in the statement of profit & loss	**1,481.15**	**1,963.94**

(ii) OCI section

Deferred tax related to items recognised in OCI during the year:	As at 31.03.2019	As at 31.03.2018
Net loss / (gain) on remeasurements of defined benefit plans	22.75	0.28
Income tax charged to OCI	**22.75**	**0.28**

B. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for financial year ended 31st March, 2018 and 31st March, 2019.

	As at 31.03.2019	As at 31.03.2018
Accounting profit before tax from continuing operations	4,822.77	5,705.11
Profit / (loss) before tax from a discontinued operation	-	-
Accounting profit before income tax	**4,822.77**	**5,705.11**
At India's statutory income tax rate of 34.94% (31st March, 2018: 34.61%)	1,685.27	1,974.42
Adjustments in respect of current income tax of previous years	(85.29)	5.33
Net disallowances on which deferred tax is not recognised	32.84	9.65
Exempted income / deductions	(151.66)	(25.46)
Unabsorbed losses and depreciation carry forward and set off	-	-
At the effective income tax rate of 30.71% (31st March, 2018: 34.42%)	**1,481.15**	**1,963.94**
Income tax expense reported in the statement of profit and loss	1,481.15	1,963.94
Income tax attributable to a discontinued operation	-	-
	1,481.15	**1,963.94**

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(₹ in lacs)

C. Deferred tax

Deferred tax relates to the following:	Balance sheet		Statement of profit and loss / OCI	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Accelerated depreciation for tax purposes	825.78	810.88	(14.90)	(16.18)
Provision for gratuity & leave encashment	(215.28)	(168.74)	46.54	38.95
Provision for expected credit loss	(1.00)	(0.96)	0.04	0.08
Present valuation of security deposits	-	-	-	(0.19)
Present valuation of borrowings	295.74	329.37	33.63	(28.73)
Deferred tax (expense) / income	-	-	**65.31**	**(6.07)**
Net deferred tax (assets) / liabilities	**905.24**	**970.55**	-	-

Reflected in the balance sheet as follows:	As at 31.03.2019	As at 31.03.2018
Deferred tax assets	(216.28)	(169.70)
Deferred tax liabilities	1,121.52	1,140.25
Deferred tax liabilities (net)	**905.24**	**970.55**

20. Trade payables	As at 31.03.2019	As at 31.03.2018
Trade payables		
- total outstanding dues of micro and small enterprises	63.98	82.94
- total outstanding dues of creditors other than micro and small enterprises	3,956.63	3,072.27
Total	**4,020.61**	**3,155.21**

21. Other financial liabilities	As at 31.03.2019	As at 31.03.2018
Security deposits	1.50	1.50
Current maturities of long-term debt		
Term loans	749.37	1,000.00
Vehicle loans	40.37	195.00
Interest accrued on borrowings	2.35	7.66
Capital creditors	775.49	1,560.90
Creditors for expenses	807.45	736.36
Unclaimed dividends	8.09	6.38
Total	**2,384.62**	**3,507.80**

22. Other current liabilities	As at 31.03.2019	As at 31.03.2018
Advance from customers	1,596.85	230.12
Statutory dues payable	562.07	1,077.09
Total	**2,158.92**	**1,307.21**

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for the year ended 31st March, 2019

(₹ in lacs)

23. Current tax liabilities (net)	As at 31.03.2019	As at 31.03.2018
Income tax provision (net of advance tax of ₹ 1,579.91 lacs (31st March, 2018: ₹ 1,758.53 lacs)	29.09	196.80
Total	**29.09**	**196.80**

24. Revenue from operations	Year ended 31.03.2019	Year ended 31.03.2018
Sale of products		
Automotive parts	38,862.30	36,633.55
Moulds	1,554.20	3,986.47
Sale of services		
Job work charges received	-	68.48
	40,416.50	40,688.50
Other operating revenue		
GST subsidy	681.54	27.79
Government grant	-	168.28
Total	**41,098.04**	**40,884.57**

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. The Group does not have any remaining performance obligations as at 31st March, 2019 (31st March, 2018: Nil).

The impact on account of applying the erstwhile Ind AS18 'Revenue' instead of Ind AS 115 'Revenue from Contract with Customers' on the financials results of the Company for the year ended and as at 31st March, 2019, is insignificant.

25. Other income	Year ended 31.03.2019	Year ended 31.03.2018
Other non operating income		
Interest income	15.16	28.60
Profit on sale of investment	-	19.18
Foreign exchange gain	7.65	47.20
Dividend received	-	12.81
Rent received	81.35	88.17
Gain from de-recognition of other financial assets	-	0.55
Unclaimed balances written off	0.12	-
Other miscellaneous income	2.78	62.05
Total	**107.06**	**258.56**

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(₹ in lacs)

26. Cost of materials consumed	Year ended 31.03.2019	Year ended 31.03.2018
Raw material	15,935.01	14,340.87
Dyes & chemicals	299.96	212.41
Packing material	936.67	808.29
Accessories	3,439.82	2,632.27
Fabric	118.68	82.67
Steel	772.11	987.34
Dies & molds	478.44	1,401.95
Total	**21,980.69**	**20,465.80**

27. Changes in inventories of finished goods, work-in-process and stock-in-trade	Year ended 31.03.2019	Year ended 31.03.2018
Inventories at the beginning of the year		
Work-in-process	350.33	221.71
Work-in-process of in house manufactured molds	751.03	392.10
Less: Work-in-process used in fixed assets	(77.80)	-
Finished goods	**251.70**	**177.25**
Total inventories at the beginning of the year (A)	1,275.26	791.06
Inventories at the end of the year		
Work-in-process	329.93	350.33
Work-in-process of inhouse manufactured molds	1,542.51	751.03
Finished goods	**328.42**	**251.70**
Total inventories at the end of the year (B)	**2,200.86**	**1,353.06**
Total (A-B)	**(925.60)**	**(562.00)**

28. Employee benefits expense	Year ended 31.03.2019	Year ended 31.03.2018
Salaries and wages	6,436.88	5,754.35
Contribution to provident and other funds	314.21	268.78
Staff welfare expenses	382.18	299.72
Total	**7,133.27**	**6,322.85**

29. Finance costs	Year ended 31.03.2019	Year ended 31.03.2018
Interest expense	394.36	389.83
Other borrowing costs	10.35	52.56
Total	**404.71**	**442.39**

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(₹ in lacs)

30. Depreciation and amortization expense	Year ended 31.03.2019	Year ended 31.03.2018
Depreciation of property, plant and equipment (refer note 3)	2,420.90	2,377.66
Amortization of intangible assets (refer note 5)	178.63	221.30
Total	**2,599.53**	**2,598.96**

31. Other expenses	Year ended 31.03.2019	Year ended 31.03.2018
Other manufacturing expenses		
Stores and spares consumed	127.31	173.14
Power and fuel	1,094.88	945.39
Excise duty variance on opening and closing stocks	-	(22.96)
Factory expenses	182.28	155.95
Other manufacturing expense	-	-
Repair & maintenance		
Building	89.43	166.62
Machinery	217.95	250.31
Others	88.39	162.78
Administrative and other expenses		
Rent	121.46	196.97
Rates & taxes	13.09	40.67
Listing expenses	4.38	5.88
Postage & telephone expenses	68.45	64.74
Printing & stationery	102.37	126.83
Traveling & conveyance expenses	636.31	622.61
Office electricity & water	7.93	3.19
Insurance charges	106.07	90.66
Factory security	109.37	91.81
Legal & professional charges	342.75	370.77
Meeting expenses	1.50	-
Motor car expenses	28.41	29.49
Bank charges	21.97	14.84
Fees & subscription	31.19	34.38
Provision for bad & doubtful debts	6.06	0.21
Corporate social responsibility expenses (refer note 50)	77.21	36.69
Directors sitting fees	23.20	14.19
Payment to collaborators / royalty	432.04	433.29
Charity & donation	1.01	0.23
Miscellaneous expenses	33.02	42.35
Auditors' Remuneration		
- As audit fees	8.45	7.77
- For tax audit, certification & tax representations	8.59	9.18
- For other matters	8.68	9.25
- For reimbursement of expenses	0.10	0.15
Selling & distribution expenses		
Freight & forwarding expenses	1,166.58	920.20
Advertisement, publicity & sales promotion	29.30	50.20
Total	**5,189.73**	**5,047.78**

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for the year ended 31st March, 2019

(₹ in lacs)

32. Components of other comprehensive income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended 31st March, 2019

	Actuarial gains / losses on defined benefit employee obligations	Total
Remeasurement gains / (losses) on defined benefit plans	(65.19)	(65.19)
Share of other comprehensive income of associates and joint venture	(0.38)	(0.38)
Income tax effect	22.75	22.75
Total	**(42.82)**	**(42.82)**

During the year ended 31st March, 2018	Actuarial gains / losses on defined benefit employee obligations	Total
Remeasurement gains / (losses) on defined benefit plans	10.01	10.01
Share of other comprehensive income of associates and joint venture	1.10	1.10
Income tax effect	0.28	0.28
Total	**11.39**	**11.39**

33. Earnings Per Share (EPS)

Basic and diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year. Diluted EPS are calculated by dividing the profit for the year attributable to the equity holders of the Company by weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Profit for the year as per statement of profit & loss	3,373.85	3,931.05
Profit attributable to equity holders of the Company for basic earnings	**3,373.85**	**3,931.05**
	No. of Shares	
Weighted average number of equity shares in calculating basic EPS	1,40,00,000	1,40,00,000
Effect of dilution	-	-
Weighted average number of equity shares in calculating diluted EPS	**1,40,00,000**	**1,40,00,000**
Earnings per equity share		
Basic (₹)	24.10	28.08
Diluted (₹)	24.10	28.08
Face value of each equity share (₹)	**10**	**10**

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(₹ in lacs)

34. Employee benefit plans

Defined contribution plans - general description

Retirement benefits in the form of provident fund, superannuation fund and national pension scheme are defined contribution schemes. The Company has no obligation, other than the contribution payable to the provident fund. The Company's contribution to the provident fund is ₹ 230.34 lacs (31st March, 2018: ₹ 195.22 lacs).

Defined benefit plans - general description

Gratuity

The Company has a defined benefit gratuity plan. Gratuity is computed as 15 days salary, for every completed year of service or part thereof in excess of 6 months and is payable on retirement / termination / resignation. The benefit vests on the employee completing 5 years of service. The Company makes provision of such gratuity asset / liability in the books of accounts on the basis of actuarial valuation as per the projected unit credit method.

The following tables summarise the components of net benefit expense recognised in the statement of profit & loss and the funded status and amounts recognised in the balance sheet for the gratuity plan:

Changes in the present value of the defined benefit obligation are as follows:	**31.03.2019**	**31.03.2018**
Defined benefit obligation at the beginning of the year	621.96	537.49
Current service cost	62.22	62.11
Past service cost	(63.43)	17.67
Interest cost	47.95	40.53
Benefits paid	(61.28)	(25.83)
Actuarial (gain) / loss on obligations-OCI	65.19	(10.01)
Defined benefit obligation at the end of the year	**672.61**	**621.96**

Changes in the fair value of plan assets are as follows:

	31.03.2019	**31.03.2018**
Fair value of plan assets at the beginning of the year	-	-
Contribution by employer	-	-
Benefits paid	-	-
Expected interest income on plan assets	-	-
Actuarial gain / (loss) on plan asset	-	-
Fair value of plan assets at the end of the year	**-**	**-**

Reconciliation of fair value of plan assets and defined benefit obligation

	31.03.2019	**31.03.2018**
Fair value of plan assets	-	-
Defined benefit obligation	672.61	621.96
Amount recognised in the balance sheet	**672.61**	**621.96**

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(₹ in lacs)

Amount recognised in statement of profit and loss

	31.03.2019	31.03.2018
Current service cost	62.22	62.11
Net interest expense	47.95	40.53
Past service cost	(63.43)	(17.67)
Amount recognised in statement of profit and loss	**46.74**	**120.31**

Amount recognised in other comprehensive income:

	31.03.2019	31.03.2018
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	3.78	29.83
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial (gain) / loss arising from experience adjustments	61.41	(39.84)
Amount recognised in other comprehensive income	**65.19**	**(10.01)**

The principal assumptions used in determining gratuity liability for the Company's plans are shown below:

	31.03.2019	31.03.2018
Discount rate	7.80%	7.71%
Expected rate of return on plan assets	NA	NA
Future salary increases	5.50%	6.25%
Attrition rate (up to 30 years)	3.00%	3.00%
Attrition rate (from 30 to 45 years)	2.00%	2.00%
Attrition rate (above 45 years)	1.00%	1.00%
Retirement age	58 years	58 years

A quantitative sensitivity analysis for significant assumption as at 31st March, 2019 and 31st March, 2018 is as shown below:

Gratuity plan	Sensitivity level		Impact on defined benefit obligation	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Assumptions				
Discount rate	+0.50%	+0.50%	(31.83)	(28.13)
	-0.50%	-0.50%	34.39	30.52
Future salary increases	+0.50%	+0.50%	34.59	30.95
	-0.50%	-0.50%	(32.27)	(28.76)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. Sensitivities due to mortality and withdrawals are insignificant and hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

Company's best estimate of expense for the next annual reporting period is ₹ 124.95 lacs (31st March, 2018: ₹ 118.48 lacs).

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(₹ in lacs)

The expected maturity analysis of undiscounted gratuity is as follows:

	31.03.2019	31.03.2018
Within the next 12 months (next annual reporting period)	74.27	62.39
Between 1 to 2 years	10.31	9.89
Between 2 to 3 years	22.95	14.92
Between 3 to 4 years	10.40	22.26
Between 4 to 5 years	19.70	24.98
Between 5 to 6 years	19.55	13.05
Over 6 years	515.42	474.47
Total expected payments	**672.60**	**621.96**

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 17.29 years (31st March, 2018: 17.23 years).

35. Leases

Operating leases taken

The Company has taken certain building on operating lease arrangements. The lease expense recognised in the statement of profit and loss is ₹ 121.46 lacs (31st March, 2018: ₹ 196.97 lacs). The future minimum lease payments under non-cancellable operating leases are as follows:

	As at 31.03.2019	As at 31.03.2018
Not later than one year	70.26	162.65
Later than one year and not later than five years	-	-
Later than five years	-	-
Total	**70.26**	**162.65**

Operating leases given

The Company has given certain properties on operating lease arrangements. The lease income recognised in the statement of profit and loss is ₹ 81.35 lacs (31st March, 2018: ₹ 88.17 lacs). The future minimum lease payments under non-cancellable operating leases are as follows:

	As at 31.03.2019	As at 31.03.2018
Not later than one year	49.03	81.36
Later than one year and not later than five years	-	-
Later than five years	-	-
Total	**49.03**	**81.36**

36. Commitments

(i) Retention charges and capital commitments (net of advances) are ₹ 505.51 lacs (31st March, 2018: ₹ 302.67 lacs).

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37. Contingent liabilities	As at 31.03.2019	As at 31.03.2018
Contingent liabilities not provided for in respect of		
Letters of guarantees	2,171.97	1,376.11
Letters of credit	455.33	326.69
Assignment of receivables	38.41	234.76
Income tax appeal		
For assessment year 2010-11	-	18.77
For assessment year 2012-13	-	3.00
For assessment year 2015-16	29.84	-
GST appeals (includes excise and sales tax demands)	116.79	201.04
Show cause notice for short payment of excise duty	410.05	-
Demand towards delay in commencement of production along with stipulated investment Company's plant at Pathredi claimed by Rajastha State Industrial Development and Investment Corporation (RIICO)	103.57	103.57
Total	**3,325.96**	**2,263.94**

Notes:

(i) A demand of ₹ 29.84 lacs has been raised for the assessment year 2015-16.The Hon'ble CIT(Appeals) has allowed the appeal in our favour. However department has filed the appeal with ITAT(Delhi) against the order of the allowability of the royalty amount.

(ii) Central sales tax assessment for the assessment year 2004-05 was completed and a balance demand of ₹ 0.45 lacs was raised by the department. Appeal against the same is pending before the Joint Commissioner of Sales Tax (Appeals) and stay granted vide order no F/PA/Jt. Comm. (KDU) /02/Stay/ 410-411 dated 18.08.06.

(iii) Joint commissioner has demanded entry tax of ₹ 5.24 lacs on stock transfer of iron and steel for job work for the assessment year 2011-12. We have filed an appeal before the Additional Commissioner (Appeals) against the said demand. Additional Commissioner (Appeals) granted stay of 50% of demand. We have filed an appeal against the order of Additional Commissioner (Appeals) before Commercial Tax Tribunal (Noida, U.P.).

(iv) Joint Commissioner has demanded ₹ 31.16 lacs towards shortfall of Form C and ₹ 4.43 lacs towards central sales tax on stock transfer of iron and steel for job work for the assessment year 2012-13. We have filed an appeal before the Additional Commissioner (Appeals) against the said demand. Additional Commissioner (Appeals) granted stay of 50% of total demand. We have filed an appeal against the order of Additional Commissioner (Appeals) before Commercial Tax Tribunal (Noida, U.P.).

(v) Joint Commissioner has demanded ₹ 2.69 lacs towards reversal of input tax credit on consumable goods for the assessment year 2013-14. We have filed an appeal before the Additional Commissioner (Appeals) against the said demand. Additional Commissioner (Appeals) has granted stay of 50% of total demand.

(vi) Demand of excise duty of ₹ 1.06 lacs along with penalty of ₹ 1.06 lacs was imposed on the Company by Additional Commissioner, Central Excise, Delhi, for cenvat credit taken on payment of duty through DEPB license, under the Central Excise Act, 1944. The Company had filed an appeal against the aforesaid order with Commissioner of central excise, Okhla. The Commissioner of central excise has rejected the appeal. Thereafter, the Company has filed the appeal with the Central Excise & Service Tax Appellate Tribunal (CESTAT) and the appeal is pending.

(vii) Demand of excise duty of ₹ 35.36 lacs along with penalty of ₹ 35.36 lacs was imposed on the Company by Additional Commissioner, Central Excise, Delhi, for cenvat credit taken on payment of duty through DEPB license, under the Central Excise Act, 1944 and was outstanding as on 31.03.2016. The Company had filed the appeal with the Central Excise & Service Tax Appellate Tribunal (CESTAT) and CESTAT has decided the case in favour of Company and set aside the demand. The Company approached the Delhi High Court against the order of CESTAT and the High Court has remanded the case back to CESTAT for hearing it again.The matter is pending in CESTAT, Delhi.

(viii) The Company has received show cause notice dated 12.03.2019 from Directorate General of Goods and Service Tax Intelligence, Gurugram, Zonal Unit alleging short payment of central excise duty (including education cess and S & H cess) to the tune of ₹ 410.05 lacs for the period FY 2013-14 to 30.06.2017 on the value of design / drawings / specifications supplied by Maruti Suzuki India Limited on FOC basis to the Company. ₹ 384.57 lacs relates to B-45, B-206A and B-4, Kasna, Uttar Pradesh plants and ₹ 25.47 lacs relates to Pathredi plant. The Company will be disputing the show cause for the above demand with The Additional / Joint Commissioner, Gautam Budh Nagar Commissionerate, Greater Noida, Uttar Pradesh and The Additional / Joint Commissioner, Alwar Commissionerate, Rajasthan.

(ix) RIICO has raised a demand of ₹ 103.57 lacs towards additional cost of land due to delay in commencement of production activities at its plant at Pathredi. The Company has disputed the matter with RIICO and the matter is pending.

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38. Related party disclosures

A. List of related parties

(a) Joint Venture	1. PPAP Tokai India Rubber Private Limited
(b) Key Management Personnel (KMP)	1. Mr. Ajay Kumar Jain, Chairman & Managing Director
	2. Mr. Abhishek Jain, CEO & Managing Director
	3. Mrs. Vinay Kumari Jain, Director
	4. Mr. Manish Dhariwal, Chief Financial Officer
	5. Mrs. Sonia Bhandari, Company Secretary
(c) Associates	1. PPAP Automotive Chennai Private Limited (upto 18.02.2019)
	2. PPAP Automotive Technology Private Limited
	3. PPAP Automotive Systems Private Limited
(d) Related parties in the group where common control exists	1. Kalindi Farms Private Limited
	2. Vinay and Ajay Jain Foundation

The following transactions were carried out with related parties in the ordinary course of business:

Related party transactions	Period	Related parties where common control exists	Joint Ventures	Associates	Total
Rent & lease charges paid					
Kalindi Farms Private Limited	31.03.2019	49.00	-	-	49.00
	31.03.2018	77.70	-	-	77.70
CSR expenses paid					
Vinay and Ajay Jain Foundation	31.03.2019	40.32	-	-	40.32
	31.03.2018	-	-	-	-
Material / licence purchases					
PPAP Tokai India Rubber Private Limited	31.03.2019	-	0.05	-	0.05
	31.03.2018	-	0.66	-	0.66
Receipts for other services*					
PPAP Tokai India Rubber Private Limited	31.03.2019	-	190.86	-	190.86
	31.03.2018	-	430.55	-	430.55
Sales					
PPAP Tokai India Rubber Private Limited	31.03.2019	-	93.95	-	93.95
	31.03.2018	-	276.17	-	276.17

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

Net outstanding balance

Related party	Period	Related parties where common control exists	Joint ventures	Associates	Total
Trade receivable					
PPAP Tokai India Rubber Private Limited	31.03.2019	-	25.84	-	25.84
	31.03.2018	-	35.42	-	35.42

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for the year ended 31st March, 2019

(₹ in lacs)

Details relating to remuneration of KMP & their relatives

Name of KMP	31.03.2019		31.03.2018	
	Short-term employee benefits	Sitting fees	Short-term employee benefits	Sitting fees
Mr. Ajay Kumar Jain	248.15	-	233.09	-
Mr. Abhishek Jain	270.20	-	263.57	-
Mrs. Vinay Kumari Jain	-	5.60	-	3.20

Details relating to remuneration of KMP other than MD / Manager / Whole Time Director

Name of KMP	31.03.2019	31.03.2018
	Short-term employee benefits	Short-term employee benefits
Mr. Manish Dhariwal	42.09	38.48
Mrs. Sonia Bhandari	11.70	9.74

39. Segment information

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. Based on the consideration of dominant sources and nature of risk & returns, the Company is considered an automotive components manufacturer. Most of the activities are revolving around this business and accordingly has only one reportable segment. The geographical location of its main operations and the internal organization / reporting and management structure supports such treatment.

40. Dues to micro and small enterprises

The dues to micro and small enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) to the extent information available with the Company is given below:

	Particulars	31.03.2019	31.03.2018
(I)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
	Principal amount due to micro and small enterprises	63.98	82.94
	Interest due on above	-	-
(II)	The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(III)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
(IV)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(V)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	-	-

Consolidated Notes to Financial Statements
for the year ended 31st March, 2019

(₹ in lacs)

41. Fair values measurements

(i) Financial instruments by category

Particulars	31.03.2019		31.03.2018	
	FVTPL	Amortized cost	FVTPL	Amortized cost
Financial assets				
Investments (non current)*	-	4,884.43	-	4,852.98
Other financial assets (non current)	-	481.01	-	438.77
Trade receivables	-	5,742.42	-	5,523.17
Cash and cash equivalents	-	42.59	-	136.50
Bank balances other than cash equivalents	-	8.64	-	7.66
Loans	-	38.11	-	22.98
Other financial assets (current)	-	439.29	4.43	403.16
Total financial assets	**-**	**11,636.49**	**4.43**	**11,385.22**
Financial liabilities				
Borrowings (non current)	-	1,293.63	-	1,643.98
Borrowings (current)	-	375.95	-	121.09
Trade payables	-	4,020.61	-	3,155.21
Other financial liabilities (current)	-	2,384.62	-	3,507.80
Total financial liabilities	**-**	**8,074.81**	**-**	**8,428.08**

*Investment value includes investment in joint venture of ₹ 4,853 lacs (31st March, 2018: ₹ 4,853 lacs) and investment in associates of ₹ 0.40 lacs (31st March, 2018: ₹ 0.40 lacs) which are shown at cost in balance sheet as per Ind AS 27 'Separate Financial Statements'.

(ii) Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurements as a whole.

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: valuation techniques for which the lowest level inputs that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: valuation techniques for which the lowest level input which has a significant effect on fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities, other than those whose fair values are close approximations of their carrying values.

Financial assets and liabilities measured at fair value-recurring fair value measurements for which fair values are disclosed at 31st March, 2019

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Investments in mutual funds	31.03.2019	-	-	-	-
Foreign currency forward contracts	31.03.2019	-	-	-	-

There have been no transfers between Level 1 and Level 2 during the period.

Consolidated Notes to Financial Statements
for the year ended 31st March, 2019

(₹ in lacs)

Financial assets and liabilities measured at fair value - recurring fair value measurements for which fair values are disclosed at 31st March, 2018

	Date of valuation	Total	Fair value measurement using Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Financial assets					
Investments in mutual funds	31.03.2018	-	-	-	-
Foreign currency forward contracts	31.03.2018	4.43	4.43	-	-
Financial liabilities					
Foreign currency forward contracts	31.03.2018	-	-	-	-

There have been no transfers between Level 1 and Level 2 during the period.

Assets and liabilities which are measured at amortized cost for which fair values are disclosed at 31st March, 2019

	Date of valuation	Total	Fair value measurement using Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Financial assets					
Security deposits paid	31.03.2019	218.95	-	-	218.95

There have been no transfers between Level 1 and Level 2 during the period.

Assets and liabilities which are measured at amortized cost for which fair values are disclosed at 31st March, 2018

	Date of valuation	Total	Fair value measurement using Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
			(Level 1)	(Level 2)	(Level 3)
Financial assets					
Security deposits paid	31.03.2018	235.65	-	-	235.65

There have been no transfers between Level 1 and Level 2 during the period.

Valuation technique used to determine fair value

(i) For cash and cash equivalents, trade receivables, loans other financial assets, short term borrowings, trade payables and other current financial liabilities the management assessed that they approximate their carrying amounts largely due to the short-term maturities of these instruments.

(ii) The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

(iii) The fair value of security deposits is determined using discounted cash flow analysis.

Consolidated Notes to Financial Statements
for the year ended 31st March, 2019

(₹ in lacs)

42. Financial risk management objectives and policies

The Company's principal financial liabilities, comprise borrowings, trade payables, and creditors for expenses. The Company's principal financial assets include investments, long term deposits, trade receivables, cash and short-term deposits / loan that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by the Board of Directors that advises on financial risks and the appropriate financial risk governance framework for the Company. The Board provides assurance to the Company's management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The management reviews and agrees policies for managing each of these risks, which are summarised below.

I. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include, deposits and FVTPL investments.

The sensitivity analysis of the above mentioned risk in the following sections relate to the position as at 31st March, 2019 and 31st March, 2018.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March, 2019 and 31st March, 2018.

A. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

	+ (increase) / - (decrease) in basis points	Gain / (loss) effect on PBT
31.03.2019		
INR	+50	(5.96)
INR	-50	5.96
31.03.2018		
INR	+50	(11.07)
INR	-50	11.07

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Consolidated Notes to Financial Statements
for the year ended 31st March, 2019

(₹ in lacs)

B. Foreign currency sensitivity

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). Foreign currency risk sensitivity is the impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The following tables demonstrate the sensitivity to a reasonably possible change in USD, JPY and EURO exchange rates, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material.

	Change in USD rate	Gain / (loss) effect on PBT
31.03.2019	+5%	(2.85)
	-5%	2.85
31.03.2018	+5%	(6.58)
	-5%	6.58
	Change in JPY rate	**Gain / (loss) effect on PBT**
31.03.2019	+5%	(7.65)
	-5%	7.65
31.03.2018	+5%	(39.69)
	-5%	39.69
	Change in EURO rate	**Gain / (loss) effect on PBT**
31.03.2019	+5%	0.02
	-5%	(0.02)
31.03.2018	+5%	0.69
	-5%	(0.69)

The movement in the pre-tax effect on profit and loss is a result of a change in the fair value of monetary assets and liabilities denominated in foreign currency.

II. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions.

“Credit risk from investments with banks and other financial institutions is managed by the treasury functions in accordance with the management policies. Investments of surplus funds are only made with approved counterparties who meet the appropriate rating and / or other criteria, and are only made within approved limits. The management continually re-assess the Company's policy and update as required. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty failure.

The maximum credit risk exposure relating to financial assets is represented by the carrying value as at the balance sheet date.

Consolidated Notes to Financial Statements
for the year ended 31st March, 2019

(₹ in lacs)

A. Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit review and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

At the year end the Company does not have any significant concentrations of bad debt risk other than disclosed in Note 10.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 41. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

B. Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties.

III. Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31.03.2019					
Borrowings (non current)	260.09	530.28	1,335.68	432.99	2,559.04
Borrowings (current)	375.95	-	-	-	375.95
Trade payables	4,020.61	-	-	-	4,020.61
Other financial liabilities (current)	1,594.88	-	-	-	1,594.88
Total	**6,251.53**	**530.28**	**1,335.68**	**432.99**	**8,550.48**
Year ended 31.03.2018					
Borrowings (non current)	298.75	896.25	1,707.97	499.71	3,402.68
Borrowings (current)	121.09	-	-	-	121.09
Trade payables	3,155.21	-	-	-	3,155.21
Other financial liabilities (current)	2,312.80	-	-	-	2,312.80
Total	**5,887.85**	**896.25**	**1,707.97**	**499.71**	**8,991.78**

IV. Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company is in automotive components manufacturing business and the management have assessed risk concentration as low.

Consolidated Notes to Financial Statements
for the year ended 31st March, 2019

(₹ in lacs)

43 . Capital Management

The objective of the Company's capital management structure is to ensure that there remains sufficient liquidity within the Company to carry out committed work programme requirements. The Company monitors the long term cash flow requirements of the business in order to assess the requirement for changes to the capital structure to meet that objective and to maintain flexibility.

The Company manages its capital structure and makes adjustments to it, in light of changes to economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital, issue new shares for cash, repay debt, put in place new debt facilities or undertake other such restructuring activities as appropriate. No changes were made in the objectives, policies or processes during the year ended 31st March, 2019.

	31.03.2019	31.03.2018
Borrowings (non current)	1,293.63	1,643.98
Borrowings (current)	375.95	121.09
Trade payables	4,020.61	3,155.21
Other financial liabilities (current)	2,384.62	3,507.80
Total debts	**8,074.81**	**8,428.08**
Less: Cash and cash equivalents	42.59	136.50
Net debts	**8,032.22**	**8,291.58**
Total equity	**29,541.67**	**26,969.46**
Total debt and equity	**37,573.89**	**35,261.04**
Gearing ratio (%)	**21.49%**	**23.90%**

44. Derivative instruments and unhedged foreign currency exposure

The amount of foreign currency exposure that are not hedged by derivative instruments or otherwise are as under:

	31.03.2019 Foreign Currency	31.03.2019 Amount	31.03.2018 Foreign Currency	31.03.2018 Amount
Foreign trade payables				
USD in lacs	1.86	134.66	7.40	481.79
JPY in lacs	231.78	153.03	1,893.71	1,160.73
Foreign trade receivables				
USD in lacs	1.18	77.67	5.38	350.23
JPY in lacs	0.17	0.10	598.80	367.03
EURO in lacs	0.01	0.41	0.17	13.88

45. Balance confirmation

Debit and credit balance of trade payables and trade receivables to the extent not confirmed are subject to confirmation and reconciliation with parties.

46. In the opinion of the Board of Directors and to the best of their knowledge and belief, the aggregate value of current assets on realisation in the ordinary course of business will not be less than the amount at which these are stated in the balance sheet.

Consolidated Notes to Financial Statements
for the year ended 31st March, 2019

(₹ in lacs)

47. Disclosure of movement in provisions during the year as per Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets:

Particulars	Balance as on 01st April, 2018	Provided during the year	Paid / adjusted during the year	Balance as on 31st March, 2019
Non-current provisions				
Gratuity	621.96	111.93	(61.28)	672.61
Accumulated leaves	133.51	62.74	(67.93)	128.32
Income tax	196.80	1,523.71	(1,691.42)	29.09
Total	**952.27**	**1,698.38**	**(1,820.63)**	**830.02**

48. Dividends paid and proposed

	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
A	**Paid during the year**		
	Interim dividend of FY 2018-19: ₹ 2.00 per equity share (FY 2017-18: ₹ 2.00 per equity share) of ₹ 10/- each [Including dividend distribution tax of ₹ 57.57 lacs, (FY 2017-18: ₹ 57.00 lacs)]	337.57	337.00
	Final dividend for FY 2017-18: ₹ 2.50 per share (FY 2016-17: ₹ 1.75 per share) [Including dividend distribution tax of ₹ 71.25 lacs, (FY 2016-17: ₹ 49.89 lacs)]	421.25	294.89
		758.82	**631.89**
B	**Proposed for approval at the annual general meeting (not recognised as a liability)**		
	Final dividend for FY 2018-19: ₹ 2.50 per share (FY 2017-18: ₹ 2.50 per share) [Including dividend distribution tax of ₹ 71.96 lacs, (FY 2017-18 ₹ 71.25 lacs)]	421.96	421.25
	Total	**421.96**	**421.25**

49. Disclosure under Ind AS 7 'Statement of Cash Flows'

With effect from 01st April, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities.

	31.03.2018	Cash flows	Non-cash changes	31.03.2019
			Fair value changes	
Long term borrowings	2,838.98	(843.63)	88.02	2,083.37
Short term borrowings	121.09	254.86	-	375.95
Total liabilities from financing activities	**2,960.07**	**(588.77)**	**88.02**	**2,459.32**

50. Details of Corporate Social Responsibility (CSR) expenditure	**31.03.2019**	**31.03.2018**
Amount required to be spent as per Section 135 of the Companies Act, 2013	77.16	48.58
Amount spent during the year on		
(i) Construction / acquisition of an asset	-	-
(ii) On purpose other than (i) above	77.21	36.69

Consolidated Notes to Financial Statements
for the year ended 31st March, 2019

(₹ in lacs)

51. Research and development expenditure

Expenditure incurred in the R&D centres during FY19 and FY18 are given below:

Particulars	31.03.2019	31.03.2018
Capital expenditure	-	11.52
Revenue expenditure	316.75	446.19

52. Disclosure of significant investments in joint ventures and associates

1) Disclosure of investment in the following joint ventures

S. No.	Name	Country of incorporation	Ownership interest of PPAP Automotive Limited (%)	
			As on 31.03.2019	As on 31.03.2018
1	PPAP Tokai India Rubber Private Limited	India	50.00%	50.00%

2) Disclosure of investment in the following associates

S. No.	Name	Country of incorporation	Ownership interest of PPAP Automotive Limited (%)	
			As on 31.03.2019	As on 31.03.2018
1	PPAP Automotive Chennai Private Limited	India	0.00%	40.00%
2	PPAP Automotive Technology Private Limited	India	40.00%	40.00%
3	PPAP Automotive Systems Private Limited	India	40.00%	40.00%

3) Summarized financial information for associates and joint ventures

The tables below provide summarised financial information for those joint ventures and associates that are material to the group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not PPAP Automotive Limited's share of those amounts.

Summarized statement of profit and loss for the year ended 31st March, 2019 and 31st March, 2018

	PPAP Tokai India Rubber Private Limited	
	31.03.2019	31.03.2018
Revenue	7,556.56	6,653.71
Cost of raw material and components consumed	4,783.28	3,585.33
Changes in stock of finished goods, work-in-process and stock-in-trade	(83.28)	0.89
Depreciation & amortization	603.13	477.98
Finance costs	11.34	0.23
Employee benefit	951.19	801.92
Other expense	1,256.72	1,479.55
Profit before tax	**34.18**	**307.81**
Income tax expense	(30.54)	(72.32)
Profit for the year from continuing operations	**64.72**	**380.13**
Other comprehensive income	(0.75)	9.67
Total comprehensive income	**63.97**	**389.80**
Group's share of profit for the year	31.98	194.90
Dividends received	-	-

Consolidated Notes to Financial Statements
for the year ended 31st March, 2019

(₹ in lacs)

Summarised balance sheet as at 31st March, 2019 and 31st March, 2018

	PPAP Tokai India Rubber Private Limited	
	31.03.2019	**31.03.2018**
Current assets		
Cash and cash equivalents	450.28	346.48
Other assets	3,590.05	3,313.97
Total current assets	**4,040.33**	**3,660.45**
Total non-current assets	**7,235.99**	**7,096.35**
Current liabilities		
Financial liabilities (excluding trade payables)	90.73	57.53
Other liabilities	1,358.72	944.87
Total current liabilities	**1,449.45**	**1,002.40**
Non-current liabilities		
Financial liabilities (excluding trade payables)	-	-
Other liabilities	63.66	55.16
Total non-current liabilities	**63.66**	**55.16**
Total equity	**9,763.21**	**9,699.24**
Proportion of the group's ownership	50.00%	50.00%
Carrying amount of the investment (including transaction costs)	4,884.22	4,852.62

Commitments and contingent liabilities in respect of associates and joint ventures

	31.03.2019	31.03.2018
Commitments-joint venture		
Share of joint venture's commitments in respect of orders remaining to be executed / supplied	72.35	72.35
Contingent liabilities-joint venture		
Share of joint venture's contingent liabilities in respect of several appeals filed before different appellate authorities of GST / Sales Tax Department	33.32	38.39

In terms of our report of even date annexed
For O P Bagla & Co LLP
Chartered Accountants
F.R.N.: 000018N / N500091

Mukul Bagla
Partner
(Membership No. 094156)

Place: Noida
Date: 22nd May, 2019

For and on behalf of the Board
PPAP Automotive Limited

Ajay Kumar Jain
Chairman & Managing Director
DIN: 00148839

Abhishek Jain
CEO & Managing Director
DIN: 00137651

Manish Dhariwal
Chief Financial Officer

Sonia Bhandari
Company Secretary

NOTES

PPAP AUTOMOTIVE LIMITED

CIN: L74899DL1995PLC073281
Registered Office: 54, Okhla Industrial Estate, Phase-III, New Delhi-110020
Corporate Office: B-206A, Sector-81, Phase-II, Noida-201305 (U.P.)
Tel: +91-120-2462552 / 53; Fax: +91-120-2461371
Website: www.ppapco.in; E-mail ID: investorservice@ppapco.com

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

Form MGT-11

PROXY FORM

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

Name of the member(s):

Registered Address:

E-mail ID:

Folio / DP ID - Client ID No.:

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

1 Name:____ Address:____

E-Mail ID:____ Signature:__________________________or failing him / her

2 Name:____ Address:____

E-Mail ID:____ Signature:__________________________or failing him / her

3 Name:____ Address:____

E-Mail ID:____ Signature:__________________________or failing him / her

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 24th Annual General Meeting of the Company, to be held on **Tuesday, 03rd September, 2019 at 11:00 a.m.** at M.P.C.U. Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi-110054 and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolutions	For	Against
Ordinary Business			
1.	Adoption of audited financial statements (standalone and consolidated) of the Company for the financial year ended 31st March, 2019, together with the Reports of the Board of Directors and Auditors' thereon.		
2.	Confirm the payment of interim dividend and declaration of final dividend on equity shares for the financial year ended 31st March, 2019.		
3.	Re-appointment of Mr. Abhishek Jain, who retires by rotation, and being eligible, offers himself for re-appointment.		
Special Business			
4.	Ratification of the remuneration payable to M/s Rakesh Singh & Co., Cost Accountants as Cost Auditors of the Company for the financial year ended 31st March, 2020.		

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

Affix revenue stamp

Signature of shareholder

Signature of proxy holder(s)

Notes:

1. This form of proxy in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the resolutions, explanatory statement and notes, please refer to the notice of the 24th Annual General Meeting.
3. It is optional to put a (√) in the appropriate column against the Resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she thinks appropriate.

PPAP AUTOMOTIVE LIMITED
CIN: L74899DL1995PLC073281
Registered Office: 54, Okhla Industrial Estate, Phase-II, New Delhi-110020
Corporate Office: B-206A, Sector-81, Phase-II, Noida-201305 (U.P.)
Tel: +91-120-2462552 / 53; Fax: +91-120-2461371
Website: www.ppapco.in; E-mail ID: investorservice@ppapco.com

ATTENDANCE SLIP

Registered Folio No. / DP ID No. / Client ID No.:

Name and address of the member(s):

Number of shares held:

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the 24rd Annual General Meeting of the Company held on Tuesday, 03rd September, 2019 at 11:00 a.m. at M.P.C.U. Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi-110054.

____
Name of the member / proxy

____
Signature of member / proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall.

PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING HALL.

Electronic Voting Particulars

EVENT NO. (Electronic Voting Event Number)	USER ID	*Default PAN / Sequence No.
190143		

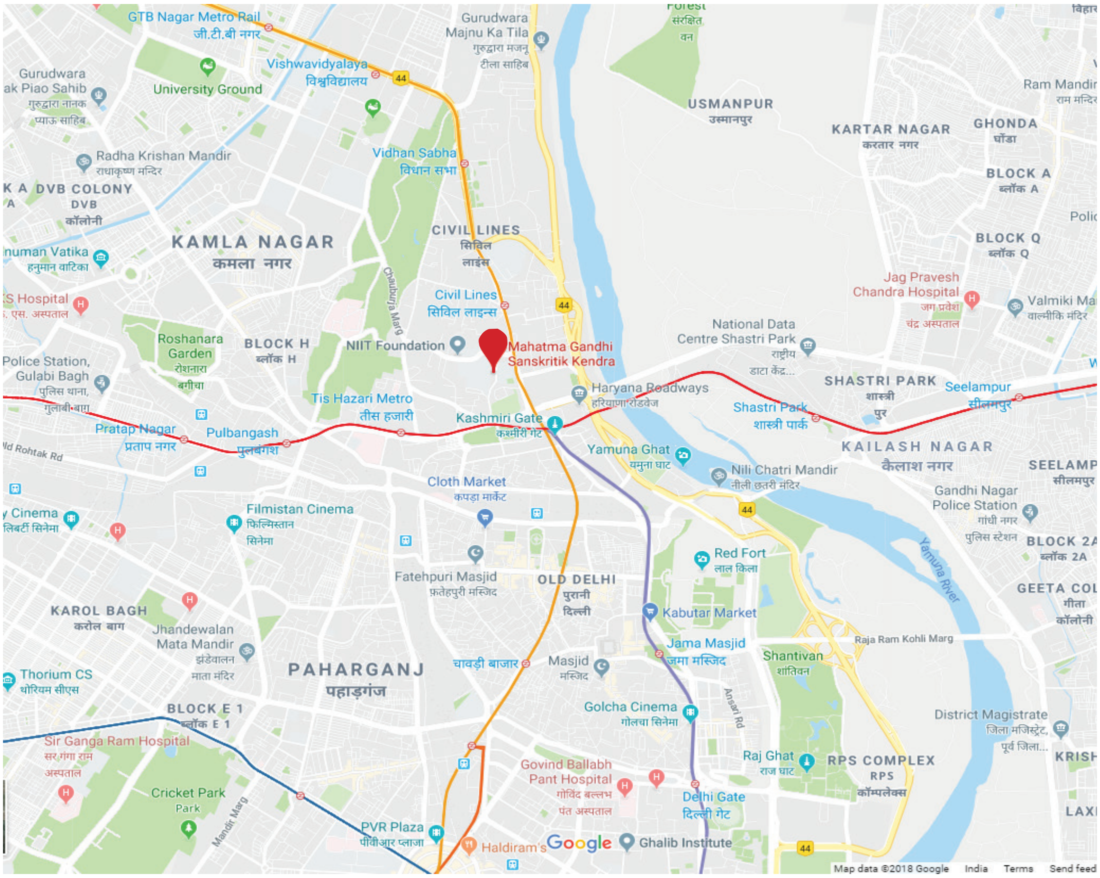
*Only members who have not updated their PAN with the Company / Depository Participant shall use the default PAN in the PAN field.

Please read the instructions printed in the notice of 24th Annual General Meeting dated 22nd May, 2019. The Electronic Voting (“E-voting”)facility will be available during the following voting period:

Commencement of E-voting	End of E-voting
Friday, 30th August, 2019 (10:00 a.m. IST)	Monday, 02nd September, 2019 (05:00 p.m. IST)

The voting module shall be disable by Link Intime India Private Limited for voting thereafter.

Route Map to the venue of 24th AGM



AGM Venue: M.P.C.U. Shah Auditorium, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi-110054

AGM Date: 03rd September, 2019

VINAY & AJAY JAIN FOUNDATION
ENVIRONMENT • EDUCATION • HEALTH CARE

CSR INITIATIVES

CSR MISSION

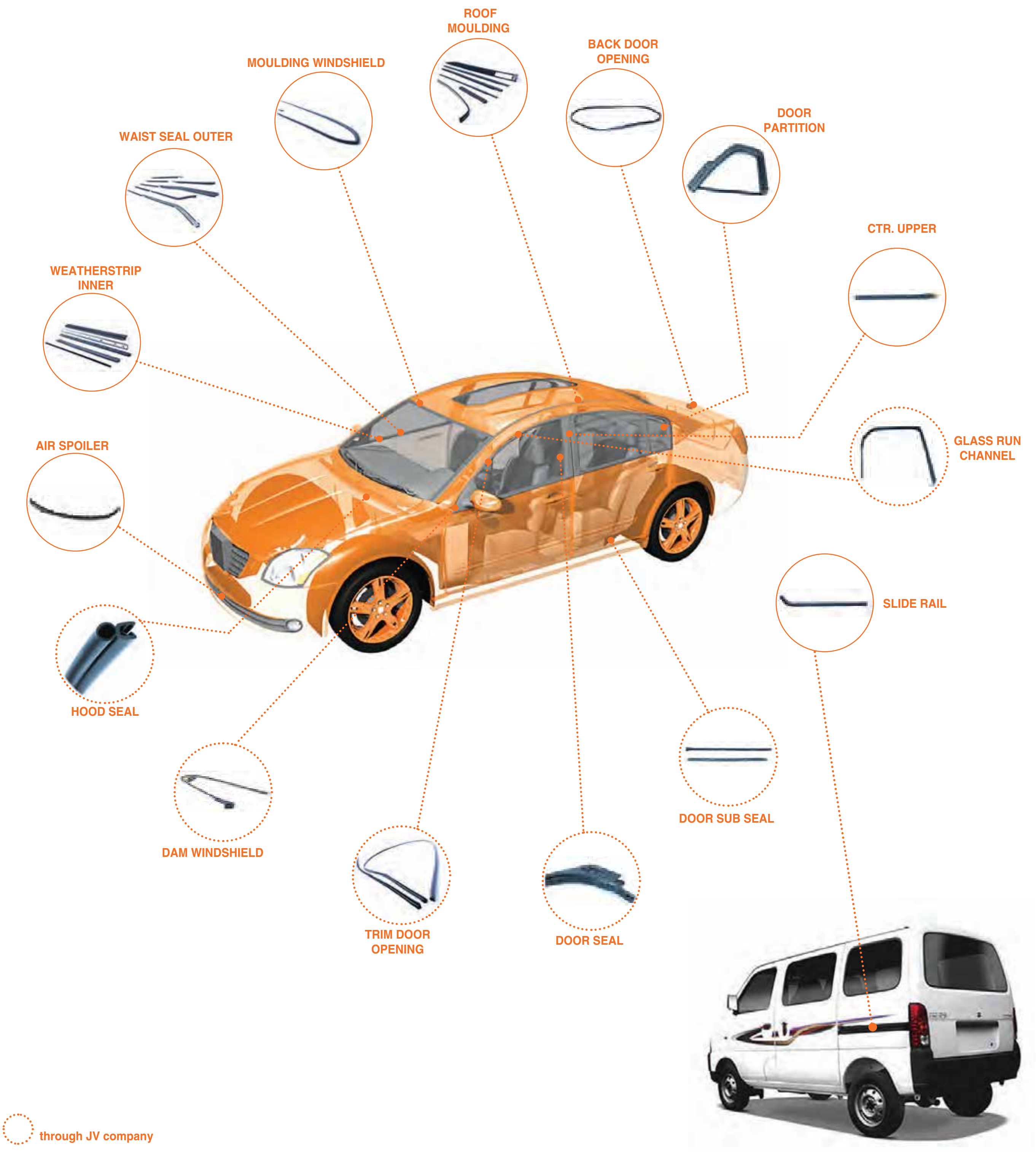
"To contribute meaningfully to the social transformation of the communities in which PPAP operates. In doing so, build a better, humane, sustainable and equitable way of life for the marginalized sections of our society and raise the society's development index"

Environment

Education

Health Care

EXTRUSION PRODUCTS

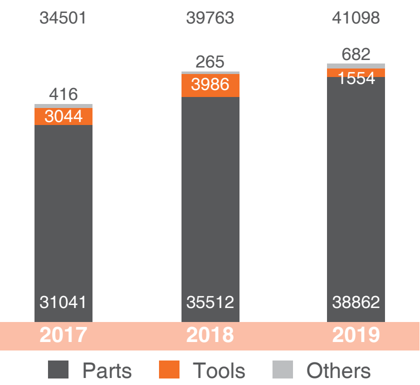


INJECTION PRODUCTS

PERFORMANCE SUMMARY

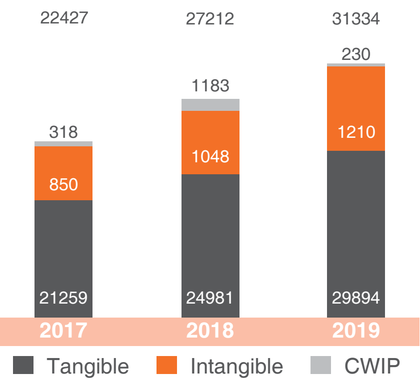
Operating Income (₹ in lacs)

41098



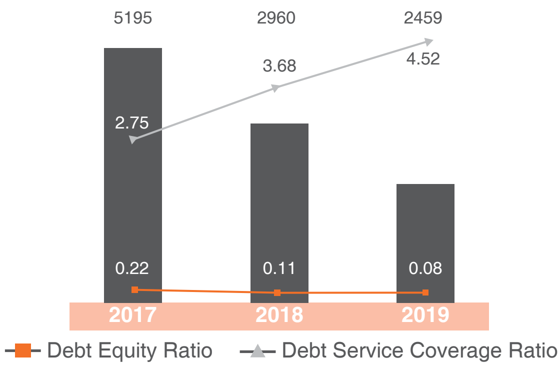
Gross Fixed Assets (₹ in lacs)

31334



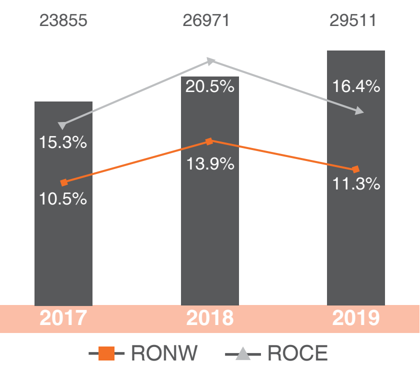
Debt
(₹ in lacs)

2459



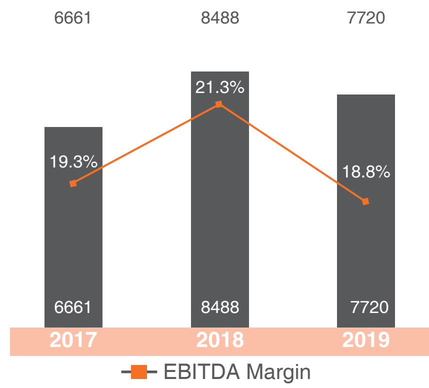
Net Worth
(₹ in lacs)

29511



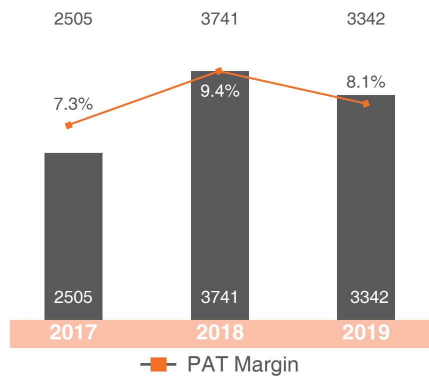
EBITDA
(₹ in lacs)

7720



Profit After Tax
(₹ in lacs)

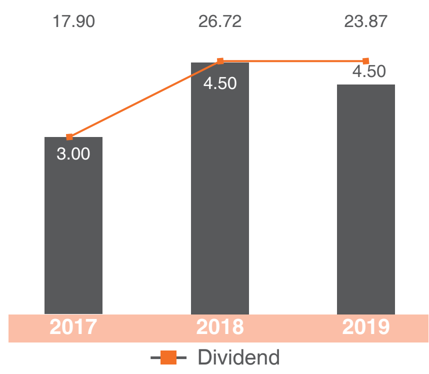
3342



*Earning Per Share
(in ₹)

23.87

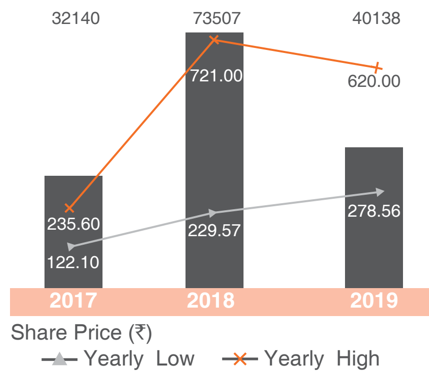
* Face Value of ₹10 Per Share



**Market Capitalization
(₹ in lacs)

40138

***Source: BSE as on 31st March*



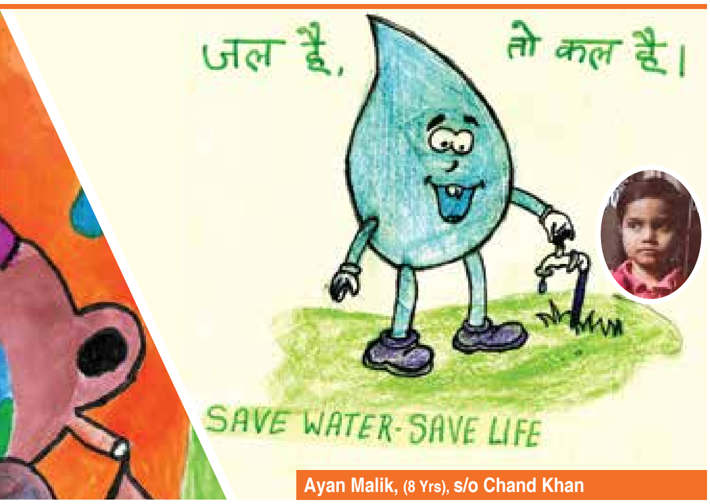
EMPLOYEES ENGAGEMENT

ENVIRONMENT DAY – dedicate yourself to create a greener world for our children

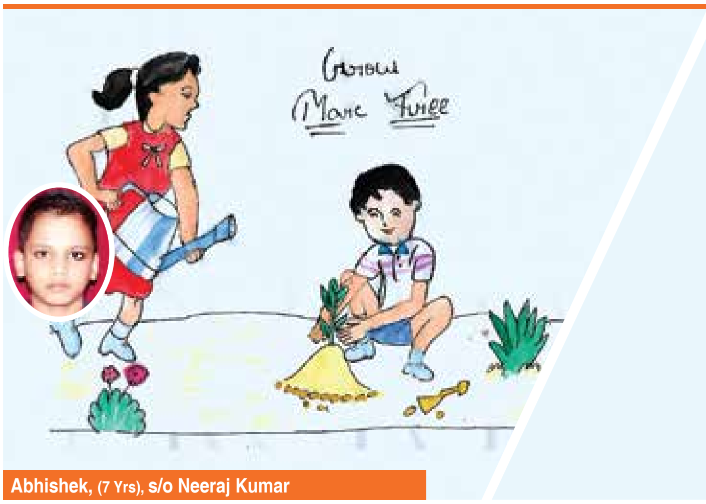
YOGA DAY – practice yoga everyday to stay relaxed

SWACHHTA PAKHWADA – make your surroundings clean

Kundan Kumar, (15 Yrs), s/o Lal Babu Paswan



Ayan Malik, (8 Yrs), s/o Chand Khan



Abhishek, (7 Yrs), s/o Neeraj Kumar

Ankit Kumar, (9 Yrs), s/o Neeraj Kumar

Udit Kumar, (12 Yrs), s/o Prempal

Km. Nikki Mishra, (12 Yrs), d/o Ashok Mishra

If undelivered please return to:

PPAP Automotive Limited

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