PPAP Automotive Limited
B-206A ■ Sector-81 ■ Phase-II ■ Noida 201305 ■ Uttar Pradesh ■ India
☎ +91-120-4093901 ✉ info@ppapco.com 🌐 www.ppapco.in

23rd August, 2023

The Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400001
Symbol: 532934

The Listing Department
The National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E), Mumbai - 400051
Symbol: PPAP

Subject: Regulation 34 - Notice for 28th Annual General Meeting ("AGM") and annual report for the financial year 2022-23 of PPAP Automotive Limited ("Company")

Dear Sir,

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements} Regulations, 2015, please find enclosed notice for 28th AGM scheduled to be held on 15th September, 2023 at 11.30 a.m. (IST), through video conferencing/ other audio visual means and annual report for financial year 2022-23 of the Company.

The notice for 28th AGM and annual report for financial year 2022-23 is also available on the website of the Company at www.ppapco.in.

This is for your information and record.

Yours Faithfully,
for **PPAP Automotive Limited**

PANKHURI
AGARWAL

Digitally signed by PANKHURI AGARWAL
DN: c=IN, o=PERSONAL,
pseudonym=90c26cdb32994063afb8c07c5da85b91,
2.5.4.20=e90719d9b714e1f5fff521063df7b4f9cf36d730e9f2e1676a822382609a98f3,
postalCode=201017, st=Uttar Pradesh,
serialNumber=3c5cb42087c3255c3ff07a4e4fc771f8f08c0796ee464df8b34d770d694aa473, cn=PANKHURI AGARWAL
Date: 2023.08.23 21:33:12 +05'30'

Pankhuri Agarwal
Company Secretary & Compliance Officer

PPAP AUTMOTIVE LIMITED

ANNUAL REPORT
2022-23

TAKING CHALLENGES, TOGETHER

PPAP Annual Report for the year 2022-23

This annual report provides detailed information about PPAP's progress and highlights for the year ended March 31, 2023. This is the primary report to our stakeholders in which we aim to provide a balanced and accurate reflection of our value creation methodology, risks and opportunities and our performance scorecard as well as our future roadmap.

Inside the Report

PPAP AT GLANCE

A Brief Overview

PPAP Automotive Limited (PPAP) was established in 1978 for manufacturing custom made extrusion products. Today, the company along with its subsidiaries and joint venture companies, deliver value added products to various customers in Automotive and Ancillary Industries.

KEY FINANCIAL HIGHLIGHTS FOR FY 2022-23 (STANDALONE)

☐ Recorded revenue of ₹ 492.32 crore in FY 2022-23, compared to ₹ 409.07 crore in FY 2021-22.

☐ Increase in Profit before tax (PBT) from ₹ 611.20 crore in FY 2021-22 to ₹ 901.32 crore in FY 2022-23.

☐ Profit after tax stood at ₹ 6.81 crore, up to 48.42% more as compared to FY 2021-22.

Business Philosophy

Vision

Becoming a leading supplier for our leading customer

Values

- Trustworthiness
- Mutual respect
- Creativity
- Co-operation
- Excellence

Mission

To be a global level excellence company, with an inspiring work culture, for serving our customers and our society, by exceeding the expectations, of all our stakeholders

3
Group Companies

2193
Employees

₹ 492.32 crore
Revenue

Business-at a glance

Automotive Parts Business

Commercial Tool Business

Industrial Product Business

Aftermarket Business

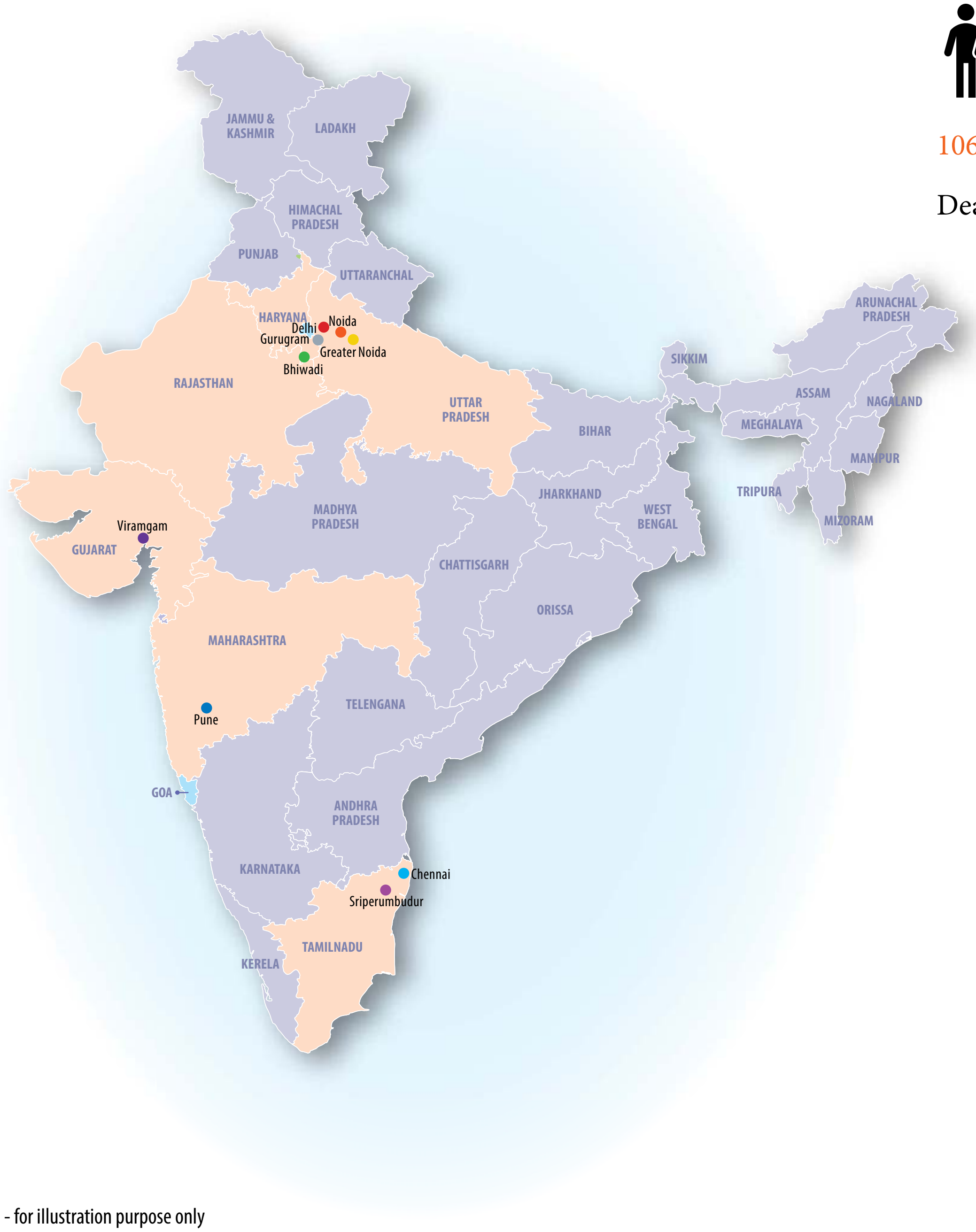
Li-ion Battery Business

Unfolding our footprints

With a strong foundation and a commitment to excellence, we have established a formidable geographical presence.

106

Dealers & Distributors



Not to scale - for illustration purpose only

DELHI	NOIDA	GREATER NOIDA	BHIWADI	SRIPERUMBUDUR	VIRAMGAM	PUNE	CHENNAI	GURUGRAM	
●									**Registered Office**
						●	●		**Sales Office**
	●	●	●	●	●				**PPAP Manufacturing Facility**
								●	**PPAP Warehouse**
		●		●	●				**PTI Manufacturing Facility**
	●								**PTech Manufacturing Facility**
●									**Elpis Warehouse**

Clientele

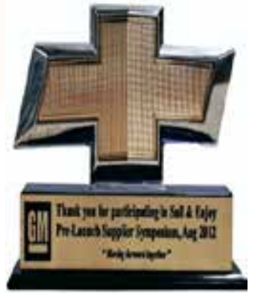
The Company's Capability reflected in its Elite Clientele

PPAP places customer satisfaction as a top-priority and strives to build trust through a Customer-First approach.

MARUTI SUZUKI Count on us *	MG *	POLYPLASTICS INDUSTRIES (I) PVT. LTD.	SPI	DAYAL GROUP
HONDA *	SUZUKI	magnacorp	ROKI	MD BIOCOALS (P) LTD
TOYOTA *	KIA	HSI AUTO	UNO MINDA	
*	HYUNDAI	motherson	JRG AUTOMOTIVE INDUSTRIES INDIA PVT. LTD.	HAVELLS
Mahindra	AIS Asahi India Glass Ltd.	T-Tech	SML ISUZU	AISIN GROUP
RENAULT NISSAN	faurecia	SAINT-GOBAIN	GEMOPAI #feel the future *	IAC International Automotive Components
ŠKODA VOLKSWAGEN	TOYOTA BOSHOKU	Unitex Floorings	MOTOVOLT *	
ISUZU	MTI	HYUNDAI MOBIS	gridbots	amber
TATA AUTOCOMP SYSTEMS LIMITED	Henkel	Yanfeng	ASHOK LEYLAND	Exicom TELE-SYSTEMS *
Romsons		HELLA	DICO paints	JSG
ARIHANT INDUSTRIES	NAITTAL INDUSTRIES	V-GUARD		
KRISHNA	NOVARES	EVRA *	Go EV *	NEWTON VEHICLES *

*EV Customers

Awards and Recognitions



Product Portfolio

Battery Business

Solar Battery Pack

E2W/E3W Battery Pack

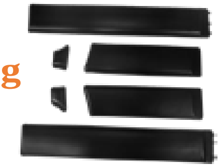
E3W Battery Pack

Golf Cart Battery Pack

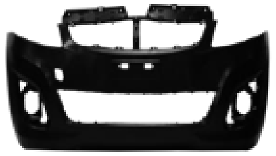
Energy Storage System (ESS)

After Market Business

Injection Moulding



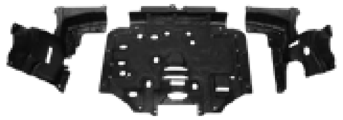
Body Side Moulding



Bumper

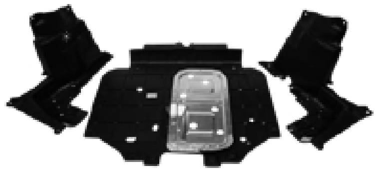
Bumper Bracket

Drink Holder

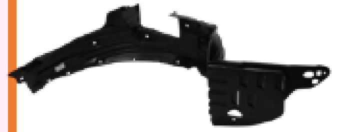


Engine Cover

Battery Box

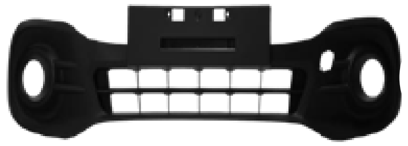


Splash Guard



Fender Linging

Fog Lamp Cover



Grill

Mud Flap

QTR Partition Glass

Power Supply

Car Accessories

Smart Phone Holder

Drink Holder

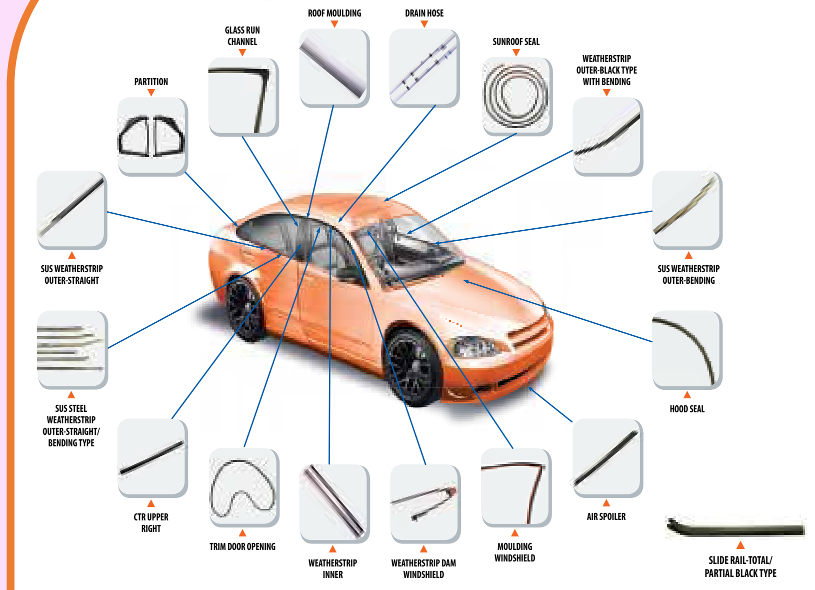
Ash Bottle

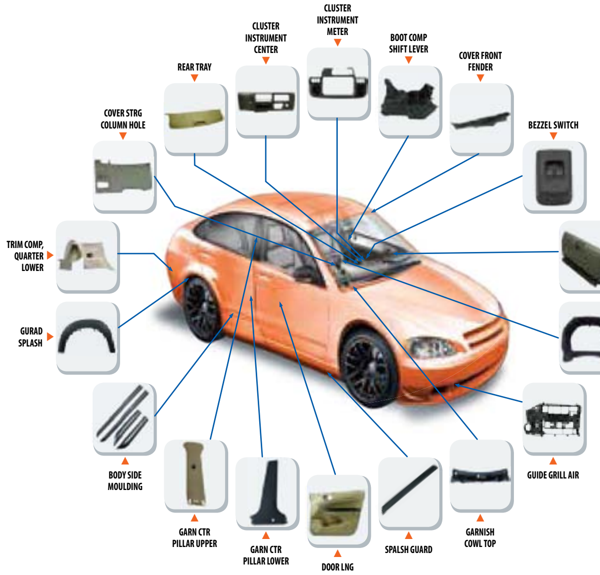
Trash Box

Wiper

Product Portfolio

Existing Products





Addition during the year

A-PLR Trim corner Chrome

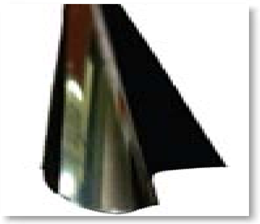
A-PLR Trim corner Black

Weight Reduction through material

Waist Seal- Chrome

Waist Seal- Black

Waist Seal- Piano Black



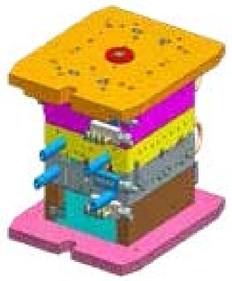
Waist Seal- Chrome

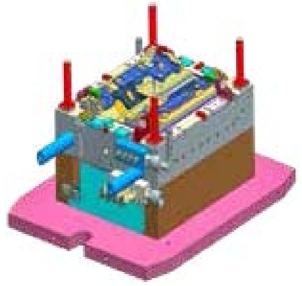
Static Seal
Waist Seal- Coloured

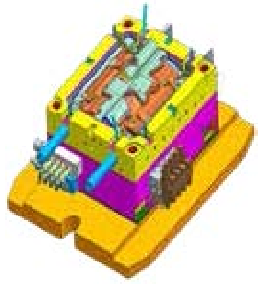
Weight Reduction
Waist Seal

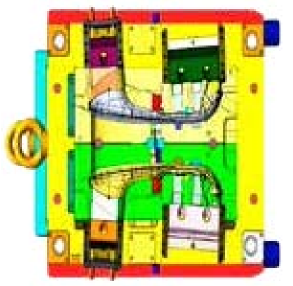
Industrial Products

Commercial Tools









Corporate Social Responsiblity

PPAP strives to positively impact the community it which it operates. Vinay & Ajay Jain Foundation (VAJF) is a CSR initiative of PPAP with a key focus on sustainable reforestation with native trees species. Armed with knowledge gained by extensive studies, hands on experience of 35 years and a passion to create healthy living spaces, the VAJF has taken the initiative towards raising awareness on environment, sharing knowledge for the education of the masses and providing resources for reviving our green cover with native trees species for our better health.

Environment

Tree plantation is at the topmost priority of CSR initiatives undertaken by PPAP through VAJF. Tree plantation will contribute to sequestration of approximately 1364 tCO per annum.

98000
Trees Planted

+25000
Annual Target

Education

Education is pivotal to build a strong and prosperous nation. PPAP through VAJF educates children by bearing the school fees of children in local community.

400
Students

Healthcare

Recognizing the importance of nourishment in facilitating optimal learning and development, VAJF contributed to the Akshay Patra Foundation to undertake a project of distributing nutritious food to underprivilege.

3500
Children

Employee's Engagement

Environment Day

PPAP proudly celebrated World Environment Day with a series of impactful initiatives. Throughout the year, we intensified our efforts to minimize our carbon footprint and enhance our eco-friendly practices.

Yoga Day

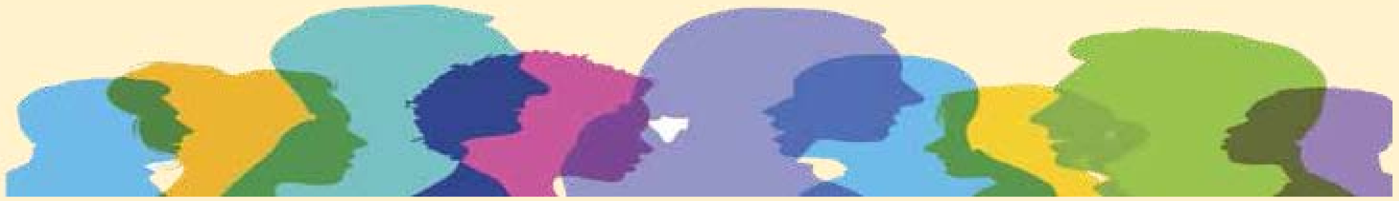
To promote well-being and fostering a harmonious work environment, PPAP celebrated International Yoga Day with great enthusiasm. The Company organized yoga that provided employees with an opportunity to recharge both their bodies and minds.

Blood Donation

In our ongoing commitment to making a positive impact on the community, your company took a proactive stance by organizing blood donation drive, which saw enthusiastic participation from employees.

Tech-show

Participating in the tech shows was a pivotal moment for your company. Our presence at various events provided us with a valuable platform to showcase our latest products to a global audience.



Employee's Engagement

Long term service award

Recognizing and celebrating the dedicated commitment of our employees, this year's long-term service award program was a heartfelt expression of gratitude for their unwavering loyalty and hard work. We take immense pride in honouring those individuals who have been instrumental in shaping the success story of our company over the years.

Annual function

The annual function held this year was a resounding celebration of our company's achievements, unity, and vibrant corporate culture. This occasion served as a platform to recognize outstanding contributions and exceptional performances, reinforcing our commitment to excellence and innovation.

Women's Day

International Women's Day held a special place in our annual activities as we dedicated a moment to honour and celebrate the vital role of women within our company.

Kids engagement

our organization has once again demonstrated its unwavering commitment to nurturing young talents and fostering a culture of learning through an array of captivating kids' activities.

Corporate Information

BOARD OF DIRECTORS

Chairman & Managing Director
Mr. Ajay Kumar Jain

Chief Executive Officer & Managing Director
Mr. Abhishek Jain

Independent Directors
Mr. Bhuwan Kumar Chaturvedi
Mr. Pravin Kumar Gupta
Mrs. Celine George
Mr. Deepak Kumar Sethi

Non-Executive Director
Mrs. Vinay Kumari Jain

COMMITTEES OF THE BOARD

AUDIT

Mr. Pravin Kumar Gupta- Chairman
Mr. Bhuwan Kumar Chaturvedi
Mr. Abhishek Jain

NOMINATION AND REMUNERATION

Mrs. Celine George- Chairperson
Mr. Bhuwan Kumar Chaturvedi
Mr. Pravin Kumar Gupta

STAKEHOLDERS RELATIONSHIP

Mr. Pravin Kumar Gupta- Chairman
Mrs. Vinay Kumari Jain
Mr. Abhishek Jain

CORPORATE SOCIAL RESPONSIBILITY

Mr. Bhuwan Kumar Chaturvedi- Chairman
Mrs. Vinay Kumari Jain
Mr. Abhishek Jain

CHIEF FINANCIAL OFFICER

Mr. Sachin Jain

COMPANY SECRETARY

Ms. Pankhuri Agarwal
(w.e.f. 13th May,2022)

WEBSITE

www.ppapco.in

REGISTERED OFFICE

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

CORPORATE OFFICE

B-206A, Sector-81, Phase-II,
Noida-201305 Uttar Pradesh,
Tel. No.: +91-120-4093901

AUDITORS

- M/s. O.P. Bagla & Co. LLP
  (Statutory Auditors)
  (Term expiring in ensuing AGM)
- M/s. Jangira & Associates
  (Cost Auditors)
  (Appointed w.e.f. 19th May, 2023)
- M/s. NKJ & Associates
  (Secretarial Auditors)

BANKERS

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

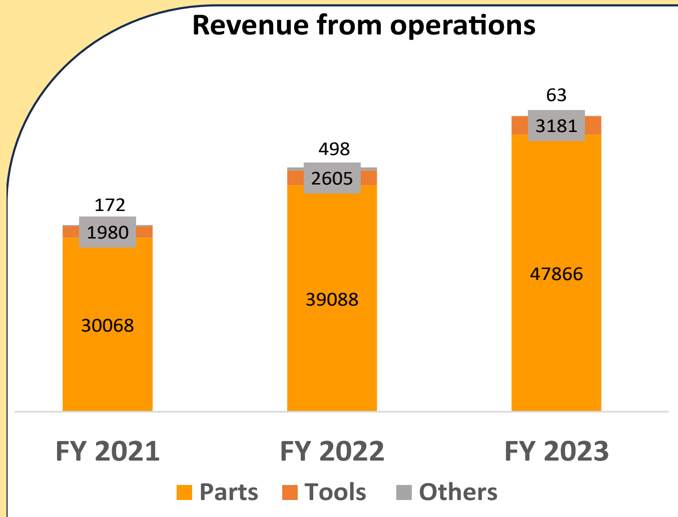
REGISTRAR AND SHARE TRANSFER AGENT

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

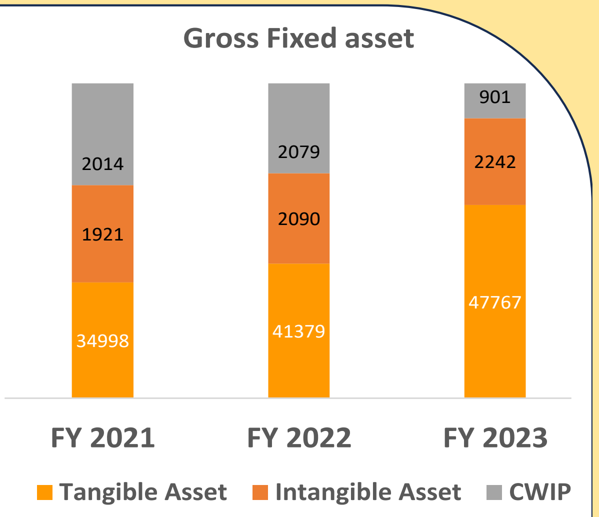
PLANT LOCATIONS

- B-206, Sector-81, Phase-II, Noida-201305, Uttar Pradesh
- B-4, Site V, UPSIDC, Kasna, Surajpur Industrial Area, Greater Noida-201306, Uttar Pradesh
- SP3-802, R.I.A, Pathredi Industrial Area, Bhiwadi, Alwar-301019, Rajasthan
- G-24, SIPCOT Industrial Park, Vallam Vadagal, Talluk Sriperumbudur, Kancheepuram-602105, Tamil Nadu
- Survey No. 866 Village Ukhlod, Taluk Viramgam, Ahmedabad-382150, Gujarat

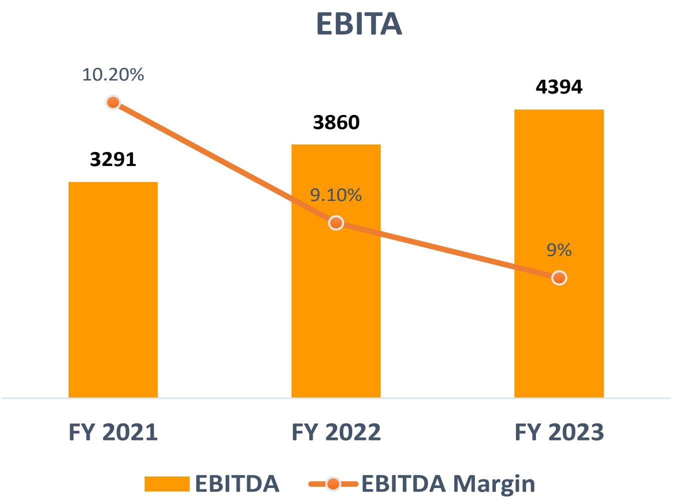
Performance Snapshot



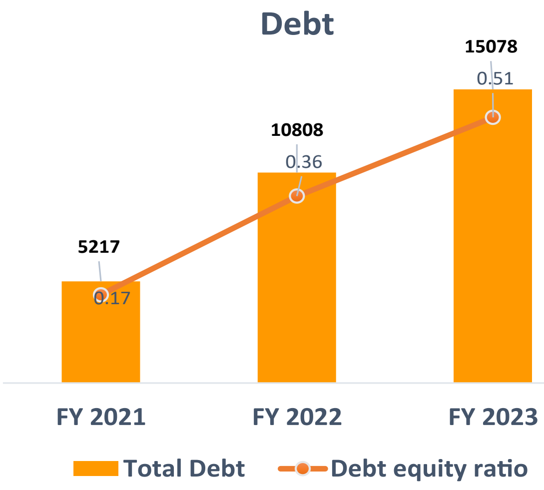
Revenue from operations



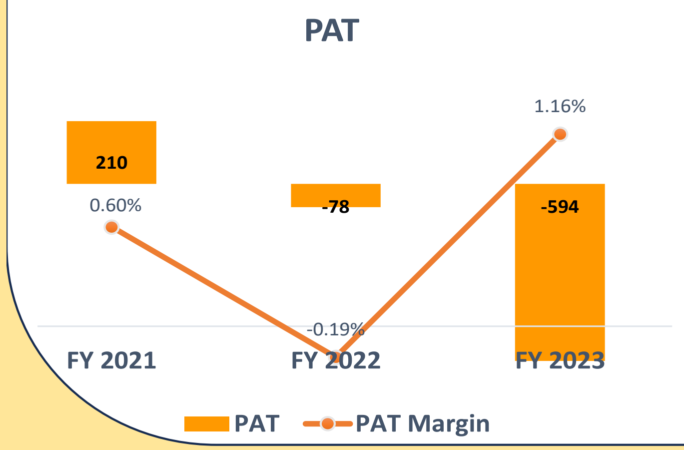
Gross Fixed asset



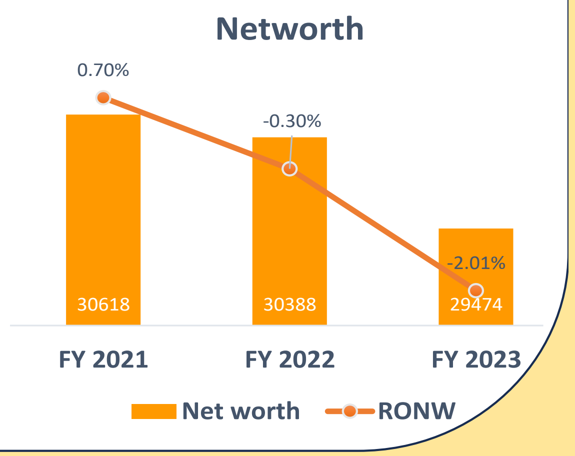
EBITA



Debt



PAT



Networth

Board Of Directors

Ajay Kumar Jain : Chairman & Managing Director

- Bachelor of Commerce from Shri Ram College of Commerce, Delhi University
- Associated with the Company since inception with experience of over 45 years in polymer processing industry and over 30 years in the automotive industry
- President of Toyota Kirloskar Supplier Association

Pravin Kumar Gupta : Independent Director

- A Fellow Member of the Institute of Chartered Accountants of India
- Managing Partner of K.S. Gupta Co., Chartered Accountants (Est.: 1955) with over 35 years of experience
- He has in depth knowledge and experience in the field of Corporate Finance, Taxation, Accounts and Audit

Celine George : Independent Director

- PGDM in Business Economics from Delhi University, PGDIM from IMI Delhi and Chevening Gurukul Scholar from London School of political science & Economics
- Associated with ONGC, TCS, Cairn Energy, Max healthcare
- She has over 30 years of experience in the areas of Leadership, Business Transformation and HR

Deepak Kumar Sethi : Independent Director

- B.E. (Mech.) from Delhi College of Engineering & M.B.A. from IIM, Ahmedabad
- Work experience of over 40 years primarily in automotive sector. He has worked with Maruti Suzuki for over 38 years
- He was deputed as whole time Director of Suzuki Powertrain India Ltd, and Maruti Suzuki as Executive Director of Supply Chain and Quality Assurance

Abhishek Jain : CEO & Managing Director

- Bachelor of Science in Industrial Engineering from Purdue University, USA
- Work experience of over 15 years
- Chairman of North region Honda Suppliers Club
- Coordinator Zone 2 Automotive Component Manufactures Association Northern Region

Bhuwan Kumar Chaturvedi : Independent Director

- B.E. (Mech.) from I.I.T. Roorkee and M.B.A. from IIM, Ahmedabad
- Has a rich and diverse top management experience in the field of automobile, auto components, engineering, etc.
- Associated with Tata Motors, Eicher and Hindustan Motors
- President of Tractor Manufacturers Association & Member of CII National Council

Vinay Kumari Jain : Non-Executive Director

- Bachelor of Science from Delhi University
- Founding partner of our Company
- Associated with the business since inception
- Work experience of over three decades. She possess a deep understanding of automotive business

My Dear Stakeholders,

I wish to extend my warmest greetings to all of you.

On behalf of your Board of Directors, I have, once again, this opportunity to communicate with you.

The last year began on a challenging note.

The aftereffects of the pandemic and the ongoing global conflicts significantly impacted the world economy in many ways which include increase in commodity and energy prices, trade, and investments slow down, geopolitical tensions, and the severe humanitarian crisis. Due to globalisation, no country today is insulated from political or economic events happening in other parts of the world.

Atmanirbhar India, with its strong fundamentals was decently able to withstand all the global disruptions and continue with its growth story. India has been in a sweat spot and has managed to clock an economic growth of above 7% for FY23. Further, the outlook for our Indian economy continues to be bullish as it is projected that by 2030, our economy will be the third largest in the world and our GDP is likely to increase by three times of its current level.

The steep increase in per capita incomes of the masses will create enormous demand for goods and services. This will be unprecedented, and it will be the fastest increase of economic activity in the history of our country.

It is my firm belief that organisations which are built on strong fundamentals, and which have sound and ethical business and governance practices will benefit multi fold from these enormous opportunities which our country brings us.

Our Indian passenger vehicle industry has surpassed the Japanese industry to become third largest market globally, only preceded by China and US. In spite of becoming number three, the difference between India and its nearest competitor runs into millions of vehicles, and this my dear stakeholders, gives us enough headroom for sustainable growth.

Due to the growing aspirations of our people and higher penetration of vehicles across the country, our industry is at the cusp of an era of phenomenal growth.

The passenger vehicle industry is expected to reach over 6 million vehicles by 2030.

Our mobility industry is going through unprecedented transformation, be it, the variety of fuels, the technology related to drive train, electronics, and features focussed on making the cars much safer and significantly more energy efficient than what they are today. Huge efforts are being undertaken towards making the industry sustainable and reduce the impact on the environment. Globally, companies in the mobility industry are targeting carbon neutrality by 2050.

The year 2022-23 was a challenging year for your Company as the consequences of the global pandemic continued to linger on.

On one hand, your Company made steady inroad in its strategic endeavours for growth, improved operational efficiency, developed new technologies, and significantly improved the adoption of sustainable business practices.

On the other hand, the profitability of the group on a consolidated level was a big challenge that your management made humongous efforts to resolve.

In order to improve this situation, our focus was on three prime areas – review, and correction of the selling price of finished goods manufactured by us, review, and correction of the purchase price of all the raw materials, and review, and correction of the wastages in our production process. After thorough and focussed reviews, strong actions were taken to rectify all these issues. Fortunately for us, our efforts are being supported by the softening of the prices of our raw materials.

I am happy to share with you, that the path for recovery has been set. Things have started moving in the right direction. Our group is now moving to be on a strong footing which will enable us to achieve higher growth, as well as higher profitability. I am sure the economic growth of our country, coupled with our industry's growth, along with our strong focus on introducing value added products for our customers will certainly result in a promising and sustainable future for your Company.

Your Company continues to expand its business with addition of new products and new customers.

During this year, your company was successful in introducing new technology parts which were highly appreciated by its customers and were immediately adopted for use in their forthcoming models. This focus of your Company will ensure higher revenues coupled with better margins as these premium products bear fruits.

Your Company was successful in securing new business from leading Electric Vehicle manufacturers also. Although your Company's product range is engine agnostic, this business from EV manufacturers will ensure business continuity and growth as customer preferences shifts from ICE vehicles to Electric vehicles. Going forward, your Company will continue to scout for more opportunities with Electric Vehicle mobility companies in all categories and will ensure that we have a substantial presence, in this sunrise industry.

Your Company currently has a significant grasp of the nuances of the new growth scenario, and we are utilising this knowledge in our businesses. We are leaving no stone unturned to secure new profitable business from our existing customers and are also attracting new customers by showcasing our technology through technology shows being conducted at our customers' premises.

Now coming to our various business segments, our commercial tool room has been reformed and stabilised. It is now fully geared up to deliver the desired results, in the coming years, in terms of growth and profitability.

Our aftermarket business too has been stabilised and today it is getting into its full swing. We are continuously expanding our product offerings and we are incessantly improving our outreach to customers across the country through our numerous channel partners.

Our Industrial products division is also finding its Ikegai. During the coming year, we will achieve significant breakthroughs in this segment, and this too will become a key strategic growth area for our group.

The electric two-wheeler industry is going through a transformation on account of reforms due to new safety guidelines, as well as the revision of the incentive schemes due to which our Lithium-ion battery business witnessed disruptions. To de-risk this aspect, your Company has developed solutions for three-wheeler industry, as well as for energy storage systems. These products are expected to blossom in the coming years and will make considerable positive contributions.

Your Company's joint venture company has been facing an existential crisis for some time due to high raw material prices and low selling prices. With the efforts we have made during the course of the year, I am confident that we will overcome this situation, and we will see positive contributions as we are restructuring the management, reducing our raw material costs and improving our selling prices.

Friends, till a few years ago, we use to hear about climate change. Today, we are living through it. The weather around us has changed. It rains when it is supposed to be sunny, and it snows when it is supposed to be warm. Every year, there are floods happening in various parts of the world. The climate change has already happened. Our fears have become a reality. It is high time that all of us realize this reality and make our contribution towards minimizing the damages being done to our environment. The climate change has put a humongous responsibility on all of us towards conserving our natural resources and working in harmony with nature. As responsible inhabitants of our planet Earth, we all have to reevaluate our ways of working and bring out Kaizen points towards this cause on an urgent basis. There are limited chances that we can reverse the damage already done, but there are chances that we can limit the damages and not make it worse. We must act now, so that we can leave a conducive environment for our children to live in.

Sustainability has long been integrated into our decision-making process across the board to mitigate risks, maximise opportunities, create long-lasting operating models, and effect positive change thereby creating value for all our stakeholders.

We have sharpened our focus on ESG practices. Your Company continues with its advances towards this goal, to reduce environmental impact from its manufacturing operations, with efficient water conservation, zero effluent discharge, increased use of renewable power and biofuels in its manufacturing plants.

Through your Company's CSR activities, there is a constant focus on enriching people's lives in areas of environment, education, and health. During FY 2023, your Company has spent more than its CSR's financial obligation. Your Company is supporting biodiversity parks by planting and sustaining the plantation of native trees to improve the environmental conditions in its neighbourhood.

Your Company is ingraining robust governance, risk management and compliance practices across all businesses and support functions to uphold its reputation as a trusted Company, for all its stakeholders.

During this year, there was an 48.83% increase in the net profit of the Company. Revenue of your Company has grown by 20.35% and EBITA witnessed an increase of 19.02% during FY23.

I am happy to state that the Board of Directors of your Company have recommended a dividend of ₹ 0.5 per Equity Share of face value of ₹ 10 each of for the financial year ended March 31, 2023, subject to approval of the shareholders at this Annual General Meeting.

In conclusion, I want to express my profound appreciation for your unwavering support and your confidence in the management of your Company. I would also like to thank our customers for the business they give to us, our suppliers for providing us with uninterrupted supplies, and last but not the least a big thank you to all our sincere and dedicated employees.

Thank you!

Ajay Kumar Jain

Chairman & Managing Director

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, Uttar Pradesh
Tel: +91-120-4093901
Website: www.ppapco.in; E-mail Id: investorservice@ppapco.com

NOTICE

NOTICE is hereby given that the 28th Annual General Meeting ("AGM") of PPAP Automotive Limited ("Company") will be held through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), on Friday, 15th September, 2023 at 11:30 A.M. to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt:
   a) The audited standalone financial statements of the Company for the financial year ended 31st March, 2023, together with the reports of the Board of Directors and Auditors' thereon; and
   b) The audited consolidated financial statements of the Company for the financial year ended 31st March, 2023, together with the Report of the Auditors thereon.
2. To declare final dividend of ₹ 0.5/- (5%) and confirm payment of interim dividend of ₹ 1/- (10%) per equity share (face value of ₹10/- each) for the financial year ended 31st March, 2023.
3. To appoint a Director in place of Mr. Abhishek Jain (DIN: 00137651), Chief Executive officer and Managing Director who retires by rotation and being eligible, offers himself for re-appointment.
4. **Appointment of M/s TR Chadha & Co LLP, Chartered Accountants as Statutory Auditors and fixing of their remuneration for a term of five consecutive years**

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

   "**RESOLVED THAT** pursuant to Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Audit and Auditors) Rules, 2014, including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force and upon recommendations of the Audit Committee and the Board of Directors of the Company (the "Board") , the approval of the members of the Company be and is hereby accorded to appoint M/s TR Chadha & Co LLP, Chartered Accountants (ICAI Firm Registration No. 006711N/ N500028), as the Statutory Auditors of the Company from the conclusion of the 28th Annual General Meeting of the Company to hold such office for a period of 5 (five) consecutive years till the conclusion of the 33rd Annual General Meeting of the Company, at a remuneration of ₹ 20,00,000 (₹ Twenty Lakhs only) with the authority to Board of Directors to vary, alter, enhance or widen the remuneration payable to the Statutory Auditors, for the said tenure, from time to time, pursuant to the recommendation of the Audit Committee.

   RESOLVED FURTHER THAT Board of Directors and/ or key managerial personnel of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary or desirable for the purpose of giving effect to the above resolution."

SPECIAL BUSINESS

5. **Re-appointment of Mr. Ajay Kumar Jain, Chairman and Manging Director of the Company.**

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

   "**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Regulation 17(6) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members of the Company be and is hereby accorded to re-appointment of Mr. Ajay Kumar Jain (DIN: 00148839) as Chairman and Managing Director of the Company, not liable to retire by rotation, for a term of 3 years from 1st November, 2023 to 31st October, 2026.

   RESOLVED FURTHER THAT the terms and conditions of re-appointment of Mr. Ajay Kumar Jain (DIN: 00148839) as Chairman and Managing Director of the Company are as follows:

   A. **Basic Salary:**

      ₹ 5.00 Lacs per month with the authority to the Board of Directors (hereinafter referred to as the 'Board' which term shall include a duly constituted Committee of Directors) to determine the salary and grant increases from time to time considering the performance of the Company, subject to a ceiling of ₹ 20.00 Lacs per month.

   B. **Commission:**

      Maximum up to 2% of net profit before tax of the company as calculated under the provisions of section 198 of the Companies Act, 2013.

   C. **Perquisites & Allowances:**

      Perquisites are classified into three categories viz A, B and C follows.

   Category A

   i. Housing:
      a. The expenditure incurred by the Company on hiring furnished accommodation for the Chairman & Managing Director.
      b. In case no accommodation is provided by the Company, the Chairman & Managing Director shall be entitled to House Rent Allowance @ 50% of the salary.

ii. The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962.

iii. Medical reimbursement: Expenses incurred on medical treatment for self and family members, whether in India or abroad.

iv. Leave travel concession: For self and his family, once a year, incurred in accordance with any rules specified by the Company.

v. Club fees: Fees of clubs, subject to a maximum of two clubs. This will not include admission and life membership fees.

vi. Personal accident insurance: Premium on personal accident policy for self and his family.

vii. Any other perquisites and allowances as may be determined by the Board of the Company from time to time within the overall limits specified in the Companies Act, 2013.

For the purpose of Category A, family means the spouse, the dependent children and dependent parents of Chairman & Managing Director.

Category B

i. Contribution to Provident Fund, Superannuation Fund or Annuity Fund per the rules of the Company.

ii. Gratuity payable shall be calculated as per the provisions of The Payment of Gratuity Act, 1972 and amendment thereof.

iii. Entitlement for leave with full pay or encashment thereof as per policy of the Company.

Category C

i. Provision of mobile, telephone, internet for official and personal use.

ii. Car with driver maintained for business and personal use.

The perquisites shall be valued as per the Income Tax Rules, 1962, wherever provided or applicable and in the absence of any such rules, perquisites shall be evaluated at cost

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits of the Company in any financial year during the period of 3 years from the date of appointment i.e., 1st November 2023 to 31st October 2026, the remuneration mentioned above shall be paid to Mr. Ajay Kumar Jain (DIN: 00148839) as minimum remuneration.

RESOLVED FURTHER THAT approval of members be and is hereby accorded in terms of Section 196 of the Companies Act, 2013, for continuation of Mr. Ajay Kumar Jain as Chairman and Managing Director, who will attain the age of 70 years in the financial year 2025-26.

RESOLVED FURTHER THAT Board of Directors and/ or key managerial personnel of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary or desirable for the purpose of giving effect to the above resolution."

6. **Waiver of excess remuneration paid to Mr. Ajay Kumar Jain, Chairman and Managing Director of the Company during the financial year 2022-23.**

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

"RESOLVED THAT pursuant to the provisions of section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Schedule V thereto and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory amendment(s), modification(s) or re-enactment(s) thereof for the time being in force), and upon the recommendations of Nomination and Remuneration Committee and the Board of Directors of the Company, the approval of the members of the Company be and is hereby accorded to ratify and confirm waiver of recovery of excess managerial remuneration of ₹ 64.97 Lakhs (Rupees Sixty-four lakh ninety-seven thousand only) paid to Mr. Ajay Kumar Jain (DIN: 00148839), Chairman & Managing Director of the Company for the financial year 2022-23, due to inadequacy of profit in the said financial year.

RESOLVED FURTHER THAT Board of Directors and/ or key managerial personnel of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary or desirable for the purpose of giving effect to the above resolution."

7. **Ratification of remuneration of the Cost Auditor for the financial year 2023-24.**

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 provision of section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any amendment, modification(s) or variation thereto, for the time being in force) the members hereby ratify the remuneration of ₹ 1,75,000/- (Rupees One lakh seventy five thousand only), exclusive of applicable taxes, payable to Jangira & Associates, (Firm Registration No. 103597) Cost Accountants, New Delhi, who have been appointed by the Board of Directors on the recommendation of the Audit Committee, as Cost Auditors of the Company, to conduct the audit of the cost records maintained by the Company, as prescribed under the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, for the financial year 2023-24.

RESOLVED FURTHER THAT the Board of Directors and/or key managerial personnel of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to the above resolution."

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

Place: Noida
Date: 12th August, 2023

Pankhuri Agarwal
Company Secretary
ACS:59103

Notes:

1. In compliance with the Ministry of Corporate Affairs ("MCA") Circular No. 14/2020 dated 8th April, 2020, Circular No.17/2020 dated 13th April, 2020, Circular No. 20/2020 dated 5th May, 2020, Circular No. 02/2021 dated 13th January, 2021, Circular No. 19/2021 dated 8th December, 2021, Circular No. 21/2021 dated 14th December, 2021, Circular No.2/2022 dated 5th May, 2022 and Circular No. 11/2022 dated 28th December, 2022, and Securities and Exchange Board of India ("SEBI") SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021, SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May, 2022 and SEBI Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5th January, 2023 (hereinafter referred to as ("Circulars"), Annual General Meeting ("AGM") will be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM), without physical presence of members. Deemed venue of the AGM shall be the Registered Office of the Company i.e. 54, Okhla Industrial Estate, Phase-III, New Delhi-110020.

2. The Board of Directors have considered and decided to include the item no. 5 to 7 given above as special business in the 28th AGM, as they are unavoidable in nature. Explanatory statement pursuant to the provisions of Section 102 of the Companies Act, 2013 ("the Act") in respect of item no. 5 to 7 of the notice are annexed hereto.

3. Pursuant to the MCA Circulars since the physical attendance of members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by members under Section 105 of the Act will not be available for the 28th AGM. Hence, proxy form and attendance slip are not annexed to this notice.

4. Corporate / Institutional Shareholders are entitled to appoint authorized representatives to attend the AGM through VC/OAVM on their behalf and cast their votes through remote e-voting or through e-voting at the AGM. Corporate / Institutional Shareholders intending to authorize their representatives to participate and vote at the AGM are requested to send a certified copy of the board resolution / authorization letter to the scrutinizer at e-mail ID chetan.gupta@apacandassociates.com with a copy marked to the Company at investorservice@ppapco.com, authorizing its representative(s) to attend and vote through VC / OAVM on their behalf at the AGM, pursuant to section 113 of the Act.

5. In line with the Circulars, the annual report including notice of the 28th AGM of the Company, inter alia, indicating the process and manner of e-voting is being sent only by email, to all the members whose email address are registered with the Company/ Depository Participant (DP). The Company shall send the physical copy of annual report 2022-23 to those Members who request the same at investorservice@ppapco.com mentioning their Folio No./DP ID and Client ID.

   Further, in terms of the applicable provisions of the Act, Listing Regulations, read with the Circulars, the annual report including notice of the 28th AGM of the Company will also be available on the website of the Company at www.ppapco.in. The same can also be accessed from the websites of the stock exchange i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com respectively and on the website of Link Intime India Private Limited, i.e. https://instavote.linkintime.co.in.

6. The facility of participation at the AGM through VC will be made available for 1,000 Members on first come first served basis. However, this number does not include the large Shareholders i.e. Shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairman of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

7. Since this AGM is being held through VC / OAVM, the route map for this AGM is not annexed with this notice.

8. The Company has engaged the services of Link Intime India Private Limited, Registrar and Share Transfer Agent ("RTA") as the authorized agency for conducting this AGM through VC or OAVM and to provide e-voting facility for the AGM.

9. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum as per the provisions of section 103 of the Act.

10. The register of members and share transfer books of the Company will remain closed from Saturday, 9th September, 2023 to Thursday, 14th September, 2023 (both days inclusive) for the purpose of the AGM and final dividend.

11. In case of joint holders, the member whose name appears as the first holder in the order of names as per the register of members of the Company will be entitled to vote during the AGM and dividend.

12. Relevant details of Director as required under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") in respect of Director seeking re-appointment is separately annexed with this notice as 'Annexure-1'.

13. In terms of the provisions of Regulation 40 of the Securities and Exchange Board of India ("SEBI") and various notifications issued in this regard, requests for effecting transfer of securities shall not be processed from 1st April, 2019 unless the securities are held in the dematerialized form with the depositories, except in case of request received for transmission or transposition and re-lodged transfers of shares.

14. Registers of Directors & Key Managerial Personnel and their shareholding, Register of Contracts and other relevant documents referred to in the accompanying notice calling the AGM would be available for inspection by the shareholders electronically on VC / OAVM platform during the AGM.

15. Pursuant to the amendments in the Income Tax Act 1961, dividend income is taxable in the hands of the shareholders from 1st April 2020 and the company is required to deduct tax at source ("TDS") from dividend paid to the members

at prescribed rates. The members are requested to submit requisite documents on the https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html on or before Tuesday, 12th September, 2023 to enable the Company to determine the appropriate TDS rate applicable. For details, members may refer to the Communication related to "Communication to shareholders-Tax Deduction on Dividend" available in the "Investors" section on the website of the Company at www.ppapco.in.

16. The members desirous of seeking any information on the financial statements or any matter to be placed at the AGM, are requested to write to the Company on or before Tuesday, 12th September, 2023 on investorservice@ppapco.com. The same will be replied by the Company suitably.

17. SEBI vide its Circular dated 16th March, 2023 mandated furnishing of PAN, KYC details (i.e. postal address with pin code, email address, mobile number, bank account details) and Nomination details by holders of physical securities. It may be noted that any service request or complaint can be processed only after the folio is KYC compliant.

    In terms of above Circular, folios of physical shareholders wherein any one of the said details such as PAN, email address, mobile number, bank account and nomination are not available, shall be frozen with effect from 1st October, 2023 and such physical shareholders will not be eligible to lodge grievances or avail service requests from the RTA of the Company and will not be eligible for receipt of dividend in physical mode until the said details are furnished. The concerned shareholders are requested to register/ update the above mentioned details by submitting the prescribed forms duly filled and signed by the registered holders, by submitting a physical copy thereof to the RTA, Link Intime India Private Limited, having its office at Noble Heights, 1st floor, Plot No NH-2, C-1 Block, LSC, Near Savitri Market, Janakpuri, New Delhi - 110058 or Corporate Office of the Company.

    Further, shareholders holding shares in physical form are requested to ensure that their PAN is linked to Aadhaar to avoid freezing of folios.

18. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Subdivision/ Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website. It may be noted that any service request can be processed only after the folio is KYC compliant.

19. Final dividend for the financial year ended 31st March, 2023, as recommended by the Board of Directors, if approved, by the members at the AGM, will be paid within 30 days from the date of AGM, to those members whose names appear in the register of members as on Friday, 08th September, 2023.

20. Members who have not so far en-cashed their dividend paid by the Company upto and during the financial year ended 31st March, 2023, may immediately approach the Company / RTA for claiming dividend amount. Information in respect of the unclaimed dividend as on 31st March, 2023, will be uploaded on the website of Investor Education and Protection Fund ("IEPF") of the Government (www.iepf.gov.in) and on the website of the Company (www.ppapco.in). Dividends, if not en-cashed for a consecutive period of 7 years, from the date of transfer to unpaid/ unclaimed dividend account of the Company, are liable to be transferred to IEPF. Further, the shares of a member who does not en-cash his dividend for a continuous period of 7 years, are also liable to be transferred to the Demat account of IEPF Authority. In view of this, members, who have not yet claimed their dividend, are requested to claim their dividends from the Company / RTA, within the stipulated timeline. The members, whose unclaimed dividends / shares have been transferred to IEPF, may claim the same as well as the corresponding dividend by making an application to the IEPF Authority, in Form IEPF-5 available on www.iepf.gov.in.

21. **Process for updating / registration of email address and mobile numbers and updation of bank account details:**

    Process for updating email addresses and bank account details:

    a) Registration for physical shareholders:

       The Members of the Company holding Equity Shares of the Company in physical form and who have not registered their e-mail addresses may get their e-mail addresses registered with Link Intime India Pvt Ltd, by clicking the link: https://web.linkintime.co.in/EmailReg/Email_Register.html and follow the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate number, PAN, mobile number and e mail id and also upload the image of PAN, Aadhar Card, share certificate & Form ISR-1 in PDF or JPEG format (upto 1 MB). On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.

       For updation of bank account details members are requested to send ISR-1 the format of which is available on the website of the Company at www.ppapco.in.

    b) Registration for Demat shareholders

       Members holding shares in Demat form for permanent registration of e-mail address and bank account details are requested to register their e-mail address and bank account details in respect of demat holdings with the respective Depository Participant (DP) by following the procedure prescribed by the Depository Participant.

       The Members of the Company holding Equity Shares of the Company in Demat Form and who have not registered their e-mail addresses may temporarily get their e-mail addresses registered with Link Intime India Pvt Ltd by clicking the link: https://web.linkintime.co.in/EmailReg/Email_Register.html and follow the registration process as guided therein. The members are requested to provide details such as Name, DPID, Client ID/ PAN, mobile number and e-mail id and also upload the image of CML,PAN, Aadhar Card & Form ISR-1 in PDF or JPEG format (upto 1 MB). On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.

22. **Voting through electronic means:**

    I. The businesses as set out in the notice may be transacted through electronic voting system and the Company will provide a facility for voting through electronic means. The facility of e-voting shall be provided by the RTA.

    II. The remote e-voting period begins on Monday, 11th September, 2023 (9:00 a.m. IST) and ends on Thursday, 14th September, 2023 (05:00 p.m. IST). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, 8th September, 2023, may cast their vote electronically. The remote e-voting module shall be disabled by RTA for voting thereafter. A person who is not a member on cut-off date should treat this notice for information purpose only.

    III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again at the AGM.

    IV. Members who have acquired shares of the Company after the dispatch of this notice and holding shares as on the cut-off date may approach the Company / RTA at enotices@linkintime.co.in for issuance of User ID and Password for exercising their right to vote by electronic means.

    V. The members present in the AGM through VC / OAVM facility and have not cast their vote on the resolutions through remote e-voting, shall be eligible to vote during the AGM through Insta Poll.

    VI. A member can opt for only single mode of voting i.e. through remote e-voting or Insta Poll. If a member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the AGM shall be treated as "INVALID".

    VII. In compliance with the provisions of section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended, Regulation 44 of the Listing Regulations 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 RTA, on the resolutions set forth in this notice. The Company has appointed Mr. Chetan Gupta, Practicing Company Secretary (CP No. 7077) and Managing Partner at APAC & Associates LLP, Company Secretaries, as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

    VIII. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two working days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

    IX. The results shall be declared not later than two working days from conclusion of the meeting by posting the same on the website of the Company (www.ppapco.com), website of RTA (https://instavote.linkintime.co.in) and by filing with the BSE Ltd. and National Stock Exchange of India Ltd. It shall also be displayed on the Notice Board at the Registered Office & Corporate Office of the Company.

    X. Subject to receipt of requisite number of votes, the resolution shall be deemed to be passed on the date of the AGM i.e. 15th September, 2023.

23. **Process and manner for attending the Annual General Meeting through InstaMeet:**

    1. Open the internet browser and launch the URL: https://instameet.linkintime.co.in

    ➢ Select the "Company" and 'Event Date' and register with your following details: -

       A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No

          - Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
          - Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
          - Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company

       B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable).

       C. **Mobile No.:** Enter your mobile number.

       D. **Email ID:** Enter your email id, as recorded with your DP/Company.

    ➢ Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request on or before Tuesday, 12th September, 2023 with the company on the investorservice@ppapco.com for the general meeting.
2. Shareholders will get confirmation on first cum first basis.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-FI or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact Mr. Rajiv Ranjan, Asst. Vice President, C-101, 247 Park, L.B.S. Marg, Vikhroli (West) Mumbai 400083, contact no. 022-49186000 and email-enotices@linkintime.co.in.

24. **Remote e-Voting Instructions for shareholders:**

As per the SEBI circular dated 9th December, 2020, individual shareholders holding securities in demat mode can register directly with the depository or will have the option of accessing various ESP portals directly from their demat accounts.

Login method for Individual shareholders holding securities in demat mode is given below:

1. Individual Shareholders holding securities in demat mode with NSDL
   (i) Existing IDeAS user can visit the e-Services website of NSDL viz... https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login"" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to "InstaVote" website for casting your vote during the remote e-Voting period.
   (ii) If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
   (iii) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to "InstaVote" website for casting your vote during the remote e-Voting period.
2. Individual Shareholders holding securities in demat mode with CDSL
   (i) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password.
   (ii) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by the company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider i.e. LINKINTIME for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.
   (iii) If the user is not registered for Easi/Easiest, the option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.
   (iv) Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, the user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
3. Individual Shareholders (holding securities in demat mode) login through their depository participants

   You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on the company name or e-Voting service provider name i.e. LinkIntime and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Login method for Individual shareholders holding securities in physical form/ Non-Individual Shareholders holding securities in demat mode is given below:

Individual Shareholders of the company, holding shares in physical form / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in
2. Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: -
   A. User ID: Shareholders holding shares in physical form shall provide Event No + Folio Number registered with the Company. Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.
   B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
   C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

- * Shareholders holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above
- * Shareholders holding shares in NSDL form, shall provide 'D' above
  - ➢ Set the password of your choice (The 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).
  - ➢ Click "confirm" (Your password is now generated).

3. Click on 'Login' under 'SHARE HOLDER' tab.
4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.

Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
4. After selecting the desired option i.e. Favour / Against, 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.

Guidelines for Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at 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.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders:

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	**Helpdesk details**
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Individual Shareholders holding securities in Physical mode has forgotten the password:

If an Individual Shareholders holding securities in Physical mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: https://instavote.linkintime.co.in

- o Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- o Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholders is having valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The 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.

User ID for Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Shareholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- ➢ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ➢ For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- ➢ During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

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

ITEM NO.4

M/s OP Bagla & Co LLP Chartered Accountants (ICAI Firm Registration No. 000018N / N500091) will complete their term as Statutory Auditors of the Company and will hold the office till the conclusion of the ensuing Annual General Meeting.

The Audit Committee and the Board of Directors has recommended the appointment of M/s TR Chadha & Co LLP, Chartered Accountants (ICAI Firm Registration No. 006711N/ N500028), as the Statutory Auditors of the Company from the conclusion of the 28th Annual General Meeting of the Company to hold such office for a period of 5 (five) consecutive years till the conclusion of the 33rd Annual General Meeting of the Company at a remuneration of ₹ 20,00,000/- (Rupees Twenty Lakhs only).

The Company has received from M/s TR Chadha & Co LLP, Chartered Accountants the consent for appointment and declaration stating that they are not disqualified from acting as statutory auditors if they are appointed by the members. They have further confirmed that their appointment, if made, would be within the limits laid down by the Companies Act, 2013.

The details required to be disclosed under Regulation 36(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) are as under:

Proposed fees payable to the Statutory Auditor(s)	₹ 20,00,000/- (Rupees Twenty Lakhs only)
Terms of appointment	Appointed as the Statutory Auditors of the Company from the conclusion of the 28th Annual General Meeting of the Company to hold such office for a period of 5 (five) consecutive years till the conclusion of the 33rd Annual General Meeting of the Company
In case of a new auditor, any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change	There is no material change in the fee payable to M/s TR Chadha & Co LLP from that of M/s OP Bagla & Co LLP. The proposed remuneration is commensurable with the size of the Company and nature of its business. The proposed remuneration is determined based on the recommendation of the Audit Committee which peruses the industry benchmarks in general, profile of the firm, scope of audit and other relevant factors.
Basis of recommendation for appointment	The Board of Directors and the Audit Committee, at their respective meetings held on 12th August, 2023, have considered various parameters like capability to serve a widespread business landscape as that of the Company, audit experience in the manufacturing industry, market standing of the firm, clientele served, technical knowledge, governance standards, etc., and found M/s TR Chadha & Co LLP suitable for this appointment and accordingly, recommend the same.
Credentials of the Statutory Auditor(s) proposed to be appointed	M/s TR Chadha & Co LLP Chartered accountancy firm, with over 76 years of history, has been providing industry expertise to numerous multinationals as well as reputed Indian companies. The firm has since been committed to offer wide array of services spanning across Assurance services, Internal Audit & Risk Advisory, Direct, Indirect, and international Taxation & Consultancy Services.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are in any way concerned or interested in the aforesaid resolution.

ITEM NO. 5

Mr. Ajay Kumar Jain was appointed as the Chairman & Managing Director of the Company for a period of five years effective 1st November, 2018 to 31st October, 2023, not liable to retire by rotation, and the said appointment was approved by the members on 23rd August, 2018.

Mr. Ajay Kumar Jain is a Commerce Graduate from the prestigious Shriram College of Commerce, Delhi. He is associated with the Company since inception with experience of over 45 years in polymer processing industry and over 30 years in the automotive industry. He has served as the President of Honda Cars India Suppliers Club in the year 2011-12. He has also served as the Vice President of Toyota Kirloskar Suppliers' Association from 2006-2015. Currently, he is the President of Toyota Kirloskar Suppliers' Association.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors in their meeting held on 19th May, 2023, re-appointed Mr. Ajay Kumar Jain as the Chairman & Managing Director of the Company for a period of three years from 1st November, 2023 to 31st October, 2026.

Mr. Ajay Kumar Jain has provided his consent to act as a Director and a declaration to the effect that he is not disqualified under 164(2) of the Act. Also, he is not debarred from holding the office of director by virtue of any order of the Securities and Exchange Board of India or any other such authority.

A copy of memorandum containing terms of re-appointment and remuneration of Mr. Ajay Kumar Jain, Chairman & Managing Director as required under Section 190 of the Companies Act, 2013 (“the Act”), would be available for inspection by the members electronically on VC / OAVM platform during the annual general meeting.

The Board while re-appointing Mr. Ajay Kumar Jain as the Chairman and Managing Director of the Company, who would be attaining 70 years during his tenure considered his skills, experience, knowledge and contributions to the Company.

Details pursuant to Schedule V of the Act are as under:

<table>
<tr><th>Sr.</th><th colspan="6">Particulars</th></tr>
<tr><td>I.</td><td colspan="6">General Information</td></tr>
<tr><td></td><td>a.</td><td>Nature of Industry</td><td colspan="4">Auto component</td></tr>
<tr><td></td><td>b.</td><td>Date of commencement of commercial production</td><td colspan="4">The Company commenced its business on 1st November, 1995 (certificate of commencement)</td></tr>
<tr><td></td><td>c.</td><td>In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus</td><td colspan="4">NA</td></tr>
<tr><td rowspan="8"></td><td rowspan="8">d.</td><td rowspan="8">Financial performance of the Company based on given indicators</td><td colspan="4">₹ (In Lacs)</td></tr>
<tr><td>Particulars</td><td>2022-23</td><td>2021-22</td><td>2020-21</td></tr>
<tr><td>Total Income</td><td>49561.91</td><td>41106.86</td><td>32.383.20</td></tr>
<tr><td>Earning before interest, tax, depreciation and amortization expense</td><td>4885.15</td><td>4104.59</td><td>3635.65</td></tr>
<tr><td>Less: Interest</td><td>1029.83</td><td>598.30</td><td>369.35</td></tr>
<tr><td>Depreciation and amortization expense</td><td>2954.00</td><td>2895.09</td><td>2632.44</td></tr>
<tr><td>Profit / (loss) before exceptional and extraordinary items and tax</td><td>901.32</td><td>611.20</td><td>633.86</td></tr>
<tr><td>Profit / (loss) for the period</td><td>681.02</td><td>458.82</td><td>483.61</td></tr>
<tr><td></td><td>e.</td><td>Foreign investments or collaborations, if any</td><td colspan="4">The Company has a technical collaboration with Tokai Kogyo Co. Ltd, Japan and Nissen Chemitec Corporation, Japan</td></tr>
<tr><td></td><td colspan="6">Information about the Appointee</td></tr>
<tr><td></td><td>a.</td><td>Background details</td><td colspan="4">Mr. Ajay Kumar Jain is a Commerce Graduate from the prestigious Shriram College of Commerce, Delhi. He is associated with the Company since inception with experience of over 45 years in polymer processing industry and over 30 years in the automotive industry. He has served as the President of Honda Cars India Suppliers Club in the year 2011-12. He has also served as the Vice President of Toyota Kirloskar Suppliers’ Association from 2006-2015. Currently, he is the President of Toyota Kirloskar Suppliers’ Association.</td></tr>
<tr><td></td><td>b.</td><td>Past Remuneration</td><td colspan="4">Details of remuneration paid during FY23 are mentioned in Corporate Governance Report section of the Annual Report.</td></tr>
<tr><td></td><td>c.</td><td>Recognition or awards</td><td colspan="4">Under the dynamic leadership of Mr. Ajay Kumar Jain, Chairman and Managing Director, the Company has won several prestigious awards including Manufacturing Excellence by Maruti Suzuki India Limited (MSIL), Overall Performance by MSIL, Target Accomplished in Quality by Honda Motors, Best Cost Performance Award by Toyota, Gold Award in QCC by Toyota, Best Kaizen Award in Delivery by Toyota, Appreciation Award from Hyundai and Machinist Super Shopfloor Award in the category of Excellence in manufacturing by world wide Media, a fully owned subsiding of the times of India Group etc.</td></tr>
<tr><td></td><td>d.</td><td>Job Profile and Suitability</td><td colspan="4">Mr. Ajay Kumar Jain is associated with the Company since inception with experience of over 45 years in polymer processing industry and over 30 years in the automotive industry. He controls the affairs of the Company under the direction of the Board of Directors of the Company. Mr. Ajay Kumar Jain has been instrumental in pressing forward the business. His sincerity, commitment and ideas have resulted in opening of new opportunities for the Company.</td></tr>
<tr><td></td><td>e.</td><td>Remuneration proposed</td><td colspan="4">As mentioned in item no. 5</td></tr>
<tr><td></td><td>f.</td><td>Comparative remuneration, profile with respect to industry, size of the Company, profile of the position and person</td><td colspan="4">Remuneration of Mr. Ajay Kumar Jain commensurate with his qualifications, experience and with the remuneration levels in the industry and the responsibilities placed on him as Chairman and Managing Director of the Company</td></tr>
<tr><td></td><td>g.</td><td>Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.</td><td colspan="4">Mr. Ajay Kumar Jain owns 27.62% equity stake of the Company and with his other family members and relatives’ control 65.01% of equity share capital of the Company.
Mr. Abhishek Jain and Mrs. Vinay Kumar Jain are his relatives.</td></tr>
<tr><td></td><td colspan="6">Other Information</td></tr>
<tr><td></td><td>a.</td><td>Reasons of loss or inadequate profits</td><td colspan="4">NA</td></tr>
<tr><td></td><td>b.</td><td>Steps taken or proposed to be taken for improvement</td><td colspan="4">NA</td></tr>
<tr><td></td><td>c.</td><td>Expected increase in productivity and profits in measurable terms</td><td colspan="4">NA</td></tr>
</table>

Details of Mr. Ajay Kumar Jain pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (“ICSI”) are provided in the ‘Aneexure-1’ to the Notice.

The Board recommends the special resolution set out at item no. 5 of the accompanying notice for approval by the members.

Mr. Ajay Kumar Jain is interested in the resolution as set out at item no. 5 of the notice. Mr. Abhishek Jain and Mrs. Vinay Kumari Jain, Directors of the Company being relatives of Mr. Ajay Kumar Jain, may be deemed to be concerned or interested in the resolution set out at item no. 5.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the company/ their relatives are, in any way, concerned or interested, financially or otherwise at item no. 5 of the notice.

ITEM NO.6

The managerial remuneration paid to Mr. Ajay Kumar Jain (DIN:00148839), Chairman and Managing Director of the Company for the financial year 2022-23 exceeded the limit under section 197 of the Companies Act, 2013 (“the Act”).

The financial year 2022-23 has posed several challenges to the business due to geopolitical disruptions, increase in raw material prices and most importantly, semiconductor chip shortage. As a result, the Company had inadequate profits in financial year 2022-23 for the purpose of payment of remuneration to Mr. Ajay Kumar Jain.

Despite the challenging operational environment, the Company reported a revenue growth of 20.35% on stand-alone basis. While the Company continued to make payment of dividends to the shareholders, however no commission was paid to Mr. Ajay Kumar Jain, Chairman and Managing Director of the Company for the financial year 2022-23. Further there was no increase in remuneration of Mr. Ajay Kumar Jain, Chairman and Managing Director of the Company for the financial year 2022-23.

The Board of Directors of the company upon recommendation of Nomination and Remuneration Committee at their meeting held on 19th May 2023, subject to the approval of members of the Company, approved waiver of recovery of excess managerial remuneration of

₹ 64.97 Lakhs (Rupees Sixty-four lakh ninety-seven thousand only) paid during the financial year 2022-23 to Mr. Ajay Kumar Jain, which exceeded the limits specified under section 197 read with Schedule V of the Act to the extent as aforesaid, due to inadequacy of profits in the said financial year.

Thus, pursuant to Section 197(10) of the Act, the members of the Company, may ratify and confirm waiver of recovery of excess managerial remuneration of ₹ 64.97 Lakhs (Rupees Sixty-four lakh ninety-seven thousand only), paid during the financial year 2022-23 to Mr. Ajay Kumar Jain, which exceeded the limits specified under section 197 read with Schedule V of the Act to the extent as aforesaid, due to inadequacy of profits in the said financial year.

The Board of Directors of the company recommends the item no. 6 of the notice as a special resolution.

Mr. Ajay Kumar Jain is interested in the resolution as set out at item no. 6 of the notice. Mr. Abhishek Jain and Mrs. Vinay Kumari Jain, Directors of the Company being relatives of Mr. Ajay Kumar Jain, may be deemed to be concerned or interested in the resolution set out at item no. 6.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the company/ their relatives are, in any way, concerned or interested, financially or otherwise at item no. 6 of the notice.

ITEM NO. 7

The Company is required to have its costs records audited by a Cost Accountant in practice. Accordingly, the Board of Directors of the Company on the recommendation of the Audit Committee, have approved the appointment of M/s. Jangira & Associates (Firm Registration No. 103597), Cost Accountants, New Delhi as Cost Auditors of the Company for conducting the audit of the cost records of the Company, for the financial year 2023-24 at a remuneration of ₹ 1,75,000 (Rupees one lac seventy five thousand only) plus payment of applicable taxes and re-imbursement of out-of-pocket expenses incurred by the Cost Auditors in connection with the aforesaid audit.

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, members of the Company are required to ratify the remuneration proposed to be paid to the Cost Auditors and pass the resolution as an ordinary resolution.

Accordingly, the Board of Directors recommends the ordinary resolution set out at item no. 7 of the accompanying notice for approval by the members.

None of the Directors, Key Management Personnel of the Company and their relatives, are in any way concerned or interested financially or otherwise at item no. 7 of the notice.

The Board recommends the ordinary resolution as set out in item no. 7 of the notice for approval by the members.

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

Place: Noida
Date: 12th August, 2023

Pankhuri Agarwal
Company Secretary
ACS-59103

Annexure - 1

Details of Director seeking re-appointment as required under Regulation 36 of the Listing Regulations and Secretarial Standard- 2 issued by ICSI on General Meetings.

Name of the Director	**Mr. Abhishek Jain**	**Mr. Ajay Kumar Jain**
Director Identification Number (DIN)	00137651	00148839
Nationality	Indian	Indian
Date of Birth and Age	24th September, 1981 (41 years)	3rd December, 1954 (68 years)
Date of first appointment	1st December, 2006	18th October, 1995
Qualification	Bachelor of Science in Industrial Engineering from Purdue University, West Lafayette, USA	Bachelor of Commerce from Shriram College of Commerce, Delhi University
Expertise in specific functional area	Having vast experience in automotive industry.	Having experience of more than four decades in automotive industry.
Terms and condition of appointment/re-appointment	Refer Item No. 3 of this notice	Refer item no. 6 of this notice
Details of remuneration last drawn (Financial year 2022-23) and sought to be paid, if applicable	74.37 lakhs	120.57 lakhs
Number of Board meetings attended during the financial year 2022-23	5 (Five)	5 (Five)
Relationships with other Directors, Manager and other Key Managerial Personnel	Son of Mr. Ajay Kumar Jain, Chairman and Managing Director & Mrs. Vinay Kumari Jain, Non-Executive Director	Father of Mr. Abhishek Jain, Chief Executive Officer and Managing Director & husband of Mrs. Vinay Kumari Jain, Non-Executive Director
List of Directorships held in other companies (excluding foreign, private and section 8 Companies) as on 31st March 2023.	PPAP Technology Limited	PPAP Technology Limited
Name of listed entities from which the Director has resigned during last 3 years.	None	None
Memberships/ Chairmanships of Audit and Stakeholders Relationship Committees across Public companies including PPAP Automotive Limited	Member of following committees of PPAP Automotive Limited: - Stakeholders Relationship Committee - Audit Committee - Corporate Social Responsibility Committee	-
No. of shares held in the company (a) Own (b) For other persons on a beneficial basis	10,02,404 equity shares	38,67,180 equity shares
Skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Refer corporate governance report	Refer corporate governance report

<Please register your e-mail address and make contribution to save our planet>

DIRECTORS' REPORT

Dear Members,

PPAP Automotive Limited

Your directors have pleasure in presenting the Twenty Eighth Annual Report of PPAP Automotive Limited ("Company") along with the audited financial statements and the auditors' report thereon for the year ended 31st March, 2023.

Financial highlights and state of Company's affairs

The financial performance of the Company for the year ended 31st March, 2023, on a standalone and consolidated basis, is summarized below:

(₹ in lacs)

Particulars	For the year ended			
	Standalone		Consolidated	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Revenue from Operations (net of excise)	49232.17	40907.21	51111.22	42191.73
Other Income	329.74	199.65	141.07	99.78
Profit / loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	4885.15	4104.59	4796.60	3610.31
Less: Depreciation / Amortization / Impairment	2954.00	2895.09	3112.19	2946.85
Profit / loss before Finance Costs, Exceptional items and Tax Expense	1931.15	1209.57	1684.41	663.46
Less: Finance Costs	1029.83	598.30	1173.12	650.53
Profit / loss before Tax Expense	901.32	611.20	(511.29)	12.93
Less: Tax Expense (Current & Deferred)	220.30	152.38	83.14	91.77
Profit / loss for the year	681.02	458.82	(594.43)	(78.84)
Other Comprehensive Income / loss	(14.99)	(11.58)	(17.90)	(11.01)
Total	666.03	447.24	(612.33)	(89.85)

Dividend

The Board of Directors of the Company are pleased to recommend a final dividend of Re. 0.5 per equity share (5%) of face value of ₹ 10 each subject to the approval of shareholders at the ensuing Annual General Meeting ("AGM").

During FY2023 the Company also declared and paid interim dividend of Re. 1 per equity share (10%) of face value of ₹ 10 each.

In terms of the provisions of the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividend paid or distributed by a company on or after 1st April, 2020 is taxable in the hands of the shareholders. The tax shall be deducted at the rates prescribed under the Income Tax Act, 1961, as amended, which varies based upon the category and residential status of the shareholder. Shareholders are requested to update their residential status, KYC including PAN with their depository participants, in case of shares held in demat mode and with the Registrar and Share Transfer Agent of the Company, in case the shares are held in physical mode for determining the applicable rate of tax deducted at source.

Transfer to Reserves

During the year under review, no amount has been transferred to general reserve of the Company.

Change in the Nature of Business

During the year under review, there was no change in the nature of business of the Company.

Share capital

The authorized share capital of the Company is ₹ 20,00,00,000 (Rupees Twenty Crores) comprising of 2,00,00,000 (Two Crores) equity shares of ₹ 10 each. The issued, subscribed and paid-up share capital of the Company is ₹ 14,00,00,000 (Rupees Fourteen Crores) comprising of 1,40,00,000 (One Crore Forty Lakh) equity shares of ₹ 10 each. During the year under review, there is no change in share capital of the Company.

Deposits

Your Company has not accepted any deposit within the meaning of provisions of Chapter V of the Companies Act, 2013 ("the Act") read with the Companies (Acceptance of Deposits) Rules, 2014 for the year ended 31st March, 2023.

Technical collaboration

The Company has technical collaborations with Tokai Kogyo Co. Limited, Japan; Nissen Chemitec Corporation, Japan; and Tokai Kogyo Seiki Co. Limited, Japan.

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

Annual return

The annual return of your Company as on 31st March, 2023, in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, is available on your Company's website at https://www.ppapco.in/assets/pdf/annual_reports/FY2023-Annual_return.pdf (link).

Meetings of the Board of Directors

The Board of Directors met five times during FY2023, the details of which are given in the corporate governance report that forms part of this annual report. The intervening gap between every two meetings during the year under review were in compliance with the period prescribed under the Act, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Directors and key managerial personnel

In accordance with the provisions of the Act, and in terms of Articles of Association of the Company, Mr. Abhishek Jain (DIN: 00137651), Chief Executive Officer and Managing Director of the Company retires by rotation and being eligible, offer himself for re-appointment at the 28th AGM.

The Board of Directors upon the recommendation of nomination and remuneration Committee has re-appointed Mr. Ajay Kumar Jain (DIN: 00148839) as Chairman & Managing Director of the Company for a further period of three years w.e.f. 1st November, 2023 to 31st October, 2026, subject to the approval of shareholders at the ensuing AGM.

Mr. Abhishek Jain (DIN: 00137651), Chief Executive Officer & Managing Director of your Company upon recommendation of nomination and remuneration committee and approval of Board and shareholders in the AGM held on 3rd September, 2021 has been re-appointed as Chief Executive Officer and Managing Director for a period of 3 years from 1st April, 2022 to 31st March, 2025.

Mr. Deepak Kumar Sethi (DIN: 03605973), was appointed as an Additional Director (Independent) by the Board of Directors, subject to shareholder approval, w.e.f 4th February, 2023 for first term of five consecutive years with effect from 4th February, 2023 to 3rd February, 2028.

Mr. Deepak Kumar Sethi appointment as an Independent Director for first term of five consecutive years with effect from 4th February, 2023 to 3rd February, 2028 was approved by the shareholders by postal ballot on 31st March, 2023.

The Board of directors upon recommendation of nomination and remuneration committee has appointed Ms. Pankhuri Agarwal as Company Secretary of the Company w.e.f. 13th May 2022.

The disclosure as required under the provisions of the Act, read with Secretarial Standards issued by Institute of Company Secretaries of India and Listing Regulations forms part of the Notice convening AGM.

Declaration by independent directors

The Company has received declarations from all the independent directors of the Company confirming that they meet with criteria of independence as prescribed under Section 149(6) of the Act, and the Listing Regulations. Further, all the Independent Directors have registered their names in the data bank maintained and managed by Indian Institute of Corporate Affairs.

During the year, the Independent Directors of your Company had no pecuniary relationship or transactions with your Company other than sitting fees accrued to them for attending meetings of the Board and its committee(s).

The terms and conditions of appointment of the Independent Directors are placed on the website of the Company under the link: https://www.ppapco.in/assets/pdf/policies/Template_for_appointment_of_Independent_Director.pdf

Directors' responsibility statement

In terms of and pursuant to Section 134(3)(c) of the Act, as amended from time to time, in relation to the financial statements for the year ended 31st March, 2023, to the best of their knowledge and belief your Directors confirm the following:

i. that in the preparation of annual accounts for the financial year ended 31st March, 2023, 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, 2023 and of the profit and loss of the Company for the financial year ended 31st March, 2023;

iii. that the proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. that the annual accounts for the financial year ended 31st March, 2023 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 and its committees and general meetings.

Evaluation of the Board's performance

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, 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 is given in the corporate governance report that forms part of this annual 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 Act, and Regulation 19 of the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

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 Act, Rules made thereunder, the Listing Regulations 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 Independent Directors: The committee shall review the performance of Independent Directors of the Company. The committee shall ensure that the 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 Act, 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.
11. Evaluation of Independent Director: For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate for the balancing the holistic set of skills, knowledge, wisdom, and experience on the Board. Based on such evaluation, prepare the role and responsibilities, qualifications, and capabilities required of an incoming independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. To identify suitable candidates, the Committee may:
    a) use the services of an external agencies,
    b) consider candidates from a wide range of backgrounds having due regard to diversity and,
    c) consider the time commitments of the candidates.

Employee stock Option Scheme

Your Company acknowledges that its growth may be attributed to the direction and contributions of the employees and would therefore like to provide them the option to participate and share in the wealth created similar to other stakeholders i.e. clients, investors, governments, and society.

As a gesture aligned to this objective, an Employee Stock Option Scheme ("ESOP 2022" / "Scheme") is implemented to:

a. Promote success of the Company by rewarding and motivating the employees;
b. Attract and retain talents;
c. Link interests of employees with shareholders;
d. Foster ownership; and
e. Reward for loyalty

During the year the shareholders at their 27th AGM held on 16th September, 2022 approved the ESOP 2022. Pursuant to the approved Scheme Company is eligible to grant up to 7,00,000 options to the eligible employee. The Scheme approved by the members is in accordance with Section 62 and other applicable provisions of the Act, read with the rules made thereunder and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulation, 2021 ("SEBI SBEB Regulations").

Further Company has received the in-principle approval from National Stock Exchange of India Limited and BSE Limited for listing of upto a maximum of 7,00,000 equity shares of ₹ 10/- each of the Company to be allotted pursuant to the Scheme.

The Company has obtained a Certificate from the Secretarial Auditors stating that Scheme has been implemented in accordance with the SEBI SBEB Regulations. The said Certificate will be made available for inspection through electronic mode by writing to the Company at investors@ppapco.com from the date of circulation of the AGM Notice till the date of the AGM.

During the year under review Company has granted options to the eligible employees of the Company. No employee has been issued stock options, during the year, equal to or exceeding 1% of the issued capital of the Company at the time of grant.

The applicable disclosures as stipulated under Regulation 14 of SEBI SBEB Regulations with regard to Employees Stock Option Plan of the Company are available on the website of the Company and web link for the same is https://www.ppapco.in/assets/pdf/annual_reports/ESOP_disclosure-final_220823.pdf.

Particulars of employees

The information required under Section 197 of the Act, 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-A' to this report.

Subsidiaries, joint ventures and associate companies

During FY2023 no company has become or ceased to be subsidiary, joint venture or associate of the company.

The Company has two subsidiary companies and a joint venture company. Elpis Components Distributors Private Limited and PPAP Technology Limited are wholly owned subsidiary companies of the Company. PPAP Tokai India Rubber Private Limited is a joint venture company of the Company.

A statement containing the salient features of the financial statements of subsidiary / associates / joint venture company, as per Section 129(3) of the Companies Act, 2013, is part of the consolidated financial statements. The audited financial statements of the wholly owned subsidiary companies have been placed on the website of the Company.

Corporate governance report

Your Company is committed to maintain high standards of corporate governance and adhere to the corporate governance requirements set out under the Listing Regulations. The Company 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 NKJ & Associates, Company Secretaries, regarding the compliance of the conditions of corporate governance, as stipulated under Chapter IV of the Listing Regulations, is annexed to this annual report.

Management discussion and analysis report

As required under Regulation 34(2) of the Listing Regulations, a detailed management discussion and analysis report is annexed to this annual report.

Business responsibility and sustainability report

The Company has provided Business responsibility and sustainability report (BRSR) based on the National Guidelines on Responsible Business Conduct describing initiatives undertaken from an environmental, social and governance perspective.

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

There has been no material change and commitment, affecting the financial performance of the Company which occurred between the end of the financial year of the Company to which the financial statements relate and the date of this 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 made during the year, are given under Note no. 7 of the standalone financial statements of the Company.

Related party transactions

During FY2023, 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 FY2023, 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 no. 40 to the standalone financial statements of the Company.

Auditors and Auditor's report

- **Statutory auditors**

In terms of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014 (as amended), M/s. O P Bagla & Co. LLP (Registration No. 000018N / N500091), Chartered Accountants was appointed as the Statutory Auditors of your Company for a consecutive period of 5 (five) years from conclusion of the 23rd AGM held in the year 2018 until conclusion of the ensuing AGM of your Company and accordingly will complete their present term on conclusion of the ensuing AGM. Your Board places on record its appreciation for the services of M/s. O P Bagla & Co. LLP during their tenure as the Statutory Auditors of your Company.

The Board of Directors upon the recommendation of Audit Committee appointed M/s. TR Chadha & Co LLP, Chartered Accountants (ICAI Firm Registration No. 006711N/ N500028), as Statutory Auditors for a period of 5 (five) consecutive years commencing from the conclusion of the 28th AGM till the conclusion of the 33rd AGM, subject to the approval of members in the ensuing AGM.

M/s TR Chadha & Co LLP Chartered accountancy firm, with over 76 years of history, has been providing industry expertise to numerous multinationals as well as reputed Indian companies. The firm has since been committed to offer wide array of services spanning across Assurance services, Internal Audit & Risk Advisory, Direct, Indirect, and international Taxation & Consultancy Services.

The Company has received from M/s TR Chadha & Co LLP, Chartered Accountants the consent for appointment and declaration stating that they are not disqualified from acting as statutory auditors if they are appointed by the members. They have further confirmed that their appointment, if made, would be within the limits laid down by the Companies Act, 2013. Further, they have confirmed that they hold a valid certificate issued by the Peer Review Board of The Institute of Chartered Accountants of India.

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 Act, and rules framed thereunder, M/s NKJ & Associates, Practicing Company Secretaries were appointed as secretarial auditors of the Company for the financial year ended 31st March, 2023.

The secretarial audit report for the financial year ended 31st March, 2023 in form MR-3 is attached as 'Annexure- B' to this report.

Secretarial auditors' report

The report of secretarial auditors, part of this annual report does not contain any qualification(s), reservation(s) or adverse remark(s) or disclaimer in the said report.

The Company had received notice from National Stock Exchange of India Limited dated 14th December 2022 for non-compliance of Regulation 42(3) of the Listing Regulations and imposition a fine of ₹ 10,000/-. The Company has applied for waiver of imposition of fine.

- **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 ended 31st March, 2023 pursuant to the provisions of Section 148 of the Act.

In order to bring in new perspectives, methodologies, and ideas to achieve greater levels of transparency and efficiency, the Board of Directors on recommendation of the Audit Committee, appointed Jangira & Associates Firm Registration no. 103597), Cost Accountants, as cost auditors of the Company for the financial year ended 31st March, 2023 at the remuneration of ₹ 175,000 (Rupees One lac seventy-five thousand only), exclusive of applicable taxes. The Company has received from Jangira & Associates the consent for appointment as Cost Auditors of the Company for FY2024.

Jangira & Associates is a Cost and Management Accountancy Sole Proprietary Firm established by Mr. Jitender Jangira, on 12th September 2014. The firm is into Cost Auditing, Cost evaluation, Cost reduction management, Taxation Services, Verification of Fixed Assets & Stocks.

The remuneration payable to the cost auditors is required to be ratified by the shareholders at the AGM. Accordingly, resolution ratifying the remuneration payable to Jangira & Associates, Cost Accountants, as cost auditors shall be placed for the approval of the shareholders at the 28th AGM.

The Company has maintained the necessary accounts and records as specified by the Central Government under sub-section (1) of Section 148 of the Act.

The Company had filed the cost audit report for financial year 2021-22 on 8th September, 2022, in compliance with 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 Act, 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 Act.

During the year, 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, through "Vinay and Ajay Jain Foundation", a registered trust for focused implementation of CSR activities of the Company majorly in the field of environment, education and health.

The CSR Policy is also available on the website of the Company and can be accessed by web link https://www.ppapco.in/assets/pdf/policies/Corporate_Social_Responsibility_Policy.pdf CSR report, pursuant to Section 134(3)(o) of the Act, and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014, annexed as 'Annexure- C' to this report.

Risk management

The Company has established risk management framework that enables regular and active monitoring of business activities for identification, assessment and mitigation of potential internal or external risks. The respective functional / business 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 has a risk management policy for identification of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company. The Company's risk management processes focus on ensuring that risks are identified promptly, and mitigation action plan is formulated and executed timely.

Policy on sexual harassment of women at workplace

The Company values the dignity of individuals and strives to provide a safe and respectable work environment to all its employees. The Company is committed to providing an environment, which is free of discrimination, intimidation, and abuse.

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 & Redressal) Act, 2013. The Company has constituted Internal Complaints Committees at various locations as per requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 for redressal of complaints relating to sexual harassment against woman at workplace. Your Company has been conducting awareness campaign across all its manufacturing units to encourage its employees to be more responsible and alert while discharging their duties.

During the year under review, the Company has not received any complaint on 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(9) of the Act, and Regulation 22 of the Listing Regulations.

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, etc. 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 appropriate or 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 Act, 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- D' to this report.

Other Disclosures

i. Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016- Not applicable

ii. Details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof- Not applicable

Acknowledgements

The Directors place on record their appreciation for the hard work and valuable contribution made by every member of PPAP family.

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

For and on behalf of the Board

Place: Noida	**Ajay Kumar Jain**	**Abhishek Jain**
Date: 12th August, 2023	Chairman &	CEO &
	Managing Director	Managing Director
	DIN: 00148839	DIN: 00137651

Annexure-A to the Directors' Report

Pursuant to Section 197 of the Companies Act, 2013 ('the Act') read with Rule 5(1) of the 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 2022-23**

Name of Directors	Designation	Ratio to median remuneration
Mr. Ajay Kumar Jain	Chairman & Managing Director	39.03
Mr. Abhishek Jain	Chief Executive Officer & Managing Director	39.03

ii. **The percentage increase in remuneration each Director#, Chief Financial Officer, Chief Executive Officer, Company Secretary, if any, in the financial year 2022-23**

Name of Employee	Designation	% increase in remuneration
Mr. Ajay Kumar Jain	Chairman & Managing Director	-
Mr. Abhishek Jain	Chief Executive Officer & Managing Director	-
Mr. Sachin Jain	Chief Financial Officer	8%
Ms. Pankhuri Agarwal *	Company Secretary	15%

#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.

** Ms. Pankhuri Agarwal has been appointed w.e.f. 13th May, 2022.*

iii. **The percentage increase in the median remuneration of employees in the financial year 2022-23** – 7.36%

iv. **Number of permanent employees on the rolls of the Company as on 31st March, 2023** – 1,213 employees

v. **Average percentiles 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** – Nil

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 Act read with Rule 5(2) of the Companies (Appointment and 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 Act, 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 of Directors

Place: Noida
Date: 12th August, 2023

Ajay Kumar Jain
Chairman & Managing Director
DIN: 00148839

Abhishek Jain
CEO & Managing Director
DIN: 00137651

Annexure-B to the Directors' Report

Form No. MR-3

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

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2023

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

We 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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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. We hereby submit the updated report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 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:

We 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, 2023 according to the provisions of:

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

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

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

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

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

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

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (including erstwhile regulation);

   d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

   e) a) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; Not Applicable

   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;

   g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; Not Applicable

   h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; Not Applicable; and

   i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 from the date applicable.

vi. Following are the other acts applicable on the Company;

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

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

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

   d) The Petroleum Act, 1934.

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

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

ii. The Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited to the date applicable.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc..The Company had received notice from National Stock Exchange of India Limited dated 14th December 2022 for non-compliance of Regulation 42(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and imposed a fine of ₹ 10,000/-. The Company has applied for waiver of imposition of fine.

We further report that

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

Adequate notice is 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.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We 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.

For NKJ & Associates
Company Secretaries

Neelesh Kumar Jain
(Proprietor)
FCS No.: 5593
C P No.: 5233
PR No. : 688/2020
UDIN: F005593E000779982

Place: New Delhi
Date: 10th August 2023

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

Annexure A

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For NKJ & Associates
Company Secretaries

Neelesh Kumar Jain
(Proprietor)
FCS No.: 5593
C P No.: 5233
PR No. : 688/2020
UDIN: F005593E000779982

Place: New Delhi
Date: 10th August 2023

Annexure-C to the Directors' Report

Corporate Social Responsibility Activities

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

1. **Brief outline on CSR Policy of the Company:**

   We seek to deliver long-term sustainable growth while reducing our environmental footprint and increasing our positive social impact. The CSR initiatives of your Company aim towards our contribution to the society through a range of social and environmental activities. Your Company is devoted on the development of communities around the vicinity of our manufacturing plants in the field of education, health, hygiene and environment. Our focus is on the upliftment of the economically weaker sections of our society. Your Company conducts its CSR programs through its foundation viz. Vinay and Ajay Jain Foundation ("Foundation"). The Foundation was envisioned for focused and proper implementation of CSR activities undertaken by the Company. Such activities are guided and monitored by the CSR committee of the Company from time to time. Our sustainability focus also extends to the communities around which we work and the society at large. Our CSR activities during the year were consistent with our focus areas of Environment, Education and Health.

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Bhuwan Kumar Chaturvedi	Chairman, Independent Director	2	2
2	Mrs. Vinay Kumari Jain	Member, Non-Executive Director	2	2
3	Mr. Abhishek Jain	Member, Executive Director	2	2

3. **Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company:**
   (a) Composition of CSR committee: https://www.ppapco.in/financials#boardmembers
   (b) CSR Policy: https://www.ppapco.in/assets/pdf/policies/Corporate_Social_Responsibility_Policy.pdf
   (c) CSR projects: https://ppapco.in/assets/pdf/CSR_Project_v1.pdf

4. **Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:** Not applicable

5. **(a) Average net profit of pthe company as per sub-section (5) of section 135: ₹ 1184.13 Lacs**
   (b) Two percent of average net profit of the company as per sub-section (5) of section 135: ₹ 23.68 Lacs
   (c) Surplus arising out of the CSR Projects or program or activities of the previous financial years: Nil
   (d) Amount required to be set-off for the financial year, if any: ₹ 7.23 Lacs
   (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 16.45 Lacs

6. **(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 60.73 Lacs**
   (b) Amount spent in Administrative Overheads: ₹ 0.21 Lacs
   (c) Amount spent on Impact Assessment, if applicable: NA
   (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 60.94 Lacs
   (e) CSR amount spent or unspent for the Financial Year: (₹ in lacs)

Total Amount Spent for the Financial Year	Amount unspent				
	Total Amount transferred to Unspent CSR Account as per sub- section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 60.94	-	-	-	-	-

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in ₹) (in Lacs)
(1)	(2)	(3)
(i)	**Two percent of average net profit of the company as per sub-section (5) of section 135**	**23.68**
(ii)	Total amount spent for the Financial Year	60.94
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	44.49
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	44.49

7. **Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:**

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub- section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
I	FY-1	-	-	-	-	-	-	-
2	FY-2	-	-	-	-	-	-	-
3	FY-3	-	-	-	-	-	-	-

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:** No

   If Yes, enter the number of Capital assets created/ acquired: Not Applicable

   Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(l)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration No., if Applicable address Number, if	Name	Registered address
-	-	-	-	-	-	-	-

   (All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub- section (5) of section 135:** Not applicable

On behalf of Board of Directors
PPAP Automotive Limited

Place: Noida
Date: 19th May, 2023

Ajay Kumar Jain
Chairman & Managing Director
DIN: 00148839

Bhuwan Kumar Chaturvedi
Chairman of CSR Committee
DIN: 00144487

Annexure-D 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

Your Company is committed to sustainable business practices by contributing to environment protection and considers energy conservation as one of the strong pillars of preserving natural resources. This also helps the Company in reducing carbon footprint across all its operations and improve the bottom-line under its 'Mission Sustainability'. Your Company works on the greenhouse gases reduction and always focuses on 3R concept (Reduce, Reuse and Re-cycle).

The Company is also ISO 50001 standard certified, which defines the energy management system.

i. Steps taken or impact on conservation of energy

1. Shifting the mould storage area closer to the mould maintenance section with the aim of saving energy consumed by the crane during mould movement.
2. The conventional ceiling fans, each consuming 70 watts, have been replaced with energy-efficient BLDC fans in the canteen and other areas.
3. The boundary CFL lights have been replaced with LED lights for energy saving.
4. The conventional air conditioner in the main office has been replaced with an energy-efficient Variable Refrigerant Volume (VRV) AC system.
5. The fixed-speed hydraulic pump in the L&T 350 T Injection Moulding Machine has been replaced with a variable pump.
6. The cooling fans have been interlocked with a thermostat and speed regulator to efficiently reduce energy consumption in the capacitor bank.
7. The energy consumption of exhaust fans in the LT panel room has been reduced by implementing speed control for the fans.
8. Instead of individual chillers, a 60 TR central water chiller has been installed.
9. New water chillers have been provided with Variable Frequency Drive (VFD) based compressors and exhaust fans.
10. An energy-efficient IE5 rated inbuilt VFD 7.5 kW pump has been installed at Cooling Tower for Shed-2.
11. The installation of a Variable Frequency Drive (VFD) based air washer has been completed for Shed-2.
12. Timers have been provided in the Quality Lab, Training Room, and Office AC units for scheduled operational control.
13. Timers have been installed for idle stop in twelve mechanical power presses.
14. The air pressure setting in the air compressor has been reduced from 6.8 kg/cm2 to 6.0 kg/cm2.
15. The mini puller, main puller, cooling trough pump, and plasma are now running with an interlock sequence in the extrusion line.
16. The blower motors of Flocking Machine 1 & 2 are designed to switch off automatically in idle conditions.
17. The main motor of the Stretch Bending Machine is controlled with a VFD (Variable Frequency Drive) to reduce power consumption when the machine is idle.
18. The motors of Flocking Oven 1 & 2 are programmed to switch off automatically during idle conditions.
19. The oil filtration system has been interlocked with the machine operation in the Injection Moulding Machines of 1300-ton (I and II) and 650-ton capacities.
20. Provision has been made to start both root blowers from the shop floor, and any unwanted running will be automatically stopped.
21. Motion sensors have been installed in the UPS room, LT panel room, toilet, and other common areas.
22. The air pressure setting in the air compressor has been reduced from 7.5 kg/cm2 to 6.0 kg/cm2, and a pressure booster has been provided to the cutting robot.

ii. Utilizing alternate sources of energy

The Company has done the feasibility study of mapping solar energy and estimated that 837 KW solar energy can be generated by using roof top of all the plants of the Company which is equivalent to 6% of the total estimated power requirement.

iii. Capital investment on energy conservation equipment

The Company continuously endeavors to discover new technologies and tools to save the energy and reduce consumption. The Company has spent ₹ 243.37 lacs as capital investment on energy conservation equipment during the financial year 2022-23.

B. Technology absorption

The Company is working with 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	Tools and dies	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 inhouse research and development center 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 software's as well as new industry concepts.

The Research and Development (R&D) team of the Company continuously carries out the activities to build the Company technological self-reliance by promoting in house research, innovation, design and new product development. The following are some of the activities carried out by R&D team in the financial year 2022-23:

1. Adoption of extrusion process through aluminium insert which is lighter than steel and enhance the vehicle efficiency.
2. Developed a new method for sealing code by replacing wire insert extrusion by glass cord insert extrusion. This new method has enhanced the process and product capability and also resulted in 20 percent cost saving per meter with respect to brass wire.

Expenditure on R&D

(₹ in lacs)

Particulars	For the year ended	
	31st March, 2023	31st March, 2022
Capital expenditure	93.22	0.00
Revenue expenditure	66.96	408.34
Total	**160.18**	**408.34**
Total R&D expenditure as a % turnover	0.33	1.00

Foreign exchange earnings and outgo

(₹ in lacs)

Particulars	For the year ended	
	31st March, 2023	31st March, 2022
Foreign exchange earning	0.00	0.00
Foreign exchange outgo	47.31	3637.20

For and on behalf of the Board of Directors

Place: New Delhi
Date: 12th August, 2023

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 follow ethical standards in all our business transactions which are guided by the Company's culture, our principles, and our value system. The Company continues to implement national, as well as, international corporate governance practices, in order to achieve global level excellence in its functioning and 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 and accountability, trust, honesty, safety and a shared and common purpose. The Company strongly believes that effective and good corporate governance practices build a strong foundation of trust and confidence which in turn attracts superior human capital which leads to sustainable and exceptional financial performance.

The Company continuously endeavors to improve all aspects of its business operations and adopts innovative approaches for leveraging all our resources, converting challenges into opportunities through empowerment and motivation of our human capital enabling the Company a higher growth trajectory.

Governance Structure

The Company's governance practices are based upon self-performance and self-governance by all employees, depicting our culture of the trusteeship which is deeply ingrained in our culture, our principles and our value system.

The Company is driven by the directions set by its Board of Directors who align the Company's purpose of existence with the short-medium and long-term 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 the risks to be assessed timely and prudently managed. The Board oversees how the management and the leadership team work according to the established principles, the culture and the values of the Company. The Board acts as a mentor to our management and gives its wisdom and valuable insights to overcome current and future challenges and to constantly outperform the competition.

The leadership team of our Company percolates the directions set by the Board throughout the organization, through policy deployment, responsibility and accountability matrix, daily work management, plan, check, act and reviews etc. This structure ensures that the entire organization is aligned to 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, its culture, its principles, its value systems and sets the strategies to deliver superior results. The Board articulates the business model, strategies, and the approach to risks and their mitigation. It takes measures for the short, medium and long-term success, future value creation and future viability of the Company considering the technological changes, geopolitical threats, environmental impacts, changing shareholders' and stakeholders' expectations, etc. The Company's operational and financial performance, statutory and regulatory compliances are reviewed by the Board from time to time. The Board also focuses on idea generation for business growth, opportunity identification, breakthroughs, and innovation. It identifies good and excellent business practices that can make our work culture constantly healthy and agile.

Board Committees

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific activities which concern the Company and need a closer and systematic review. The Board Committees are set up with the approval of the Board. There are four committees set up by Board:

1. Audit Committee,
2. Stakeholders Relationship Committee,
3. Nomination & Remuneration Committee and
4. Corporate Social Responsibility Committee.

Leadership Team

The leadership team of the Company is responsible for the execution of the directions set by the Board. They are empowered to take decisions in their respective domains to discover out of the box solutions to achieve the breakthrough results.

Key elements of PPAP corporate governance

- Number of Board meetings exceed the statutory requirement, including meeting dedicated to discussing strategy, operating plans and risk.
- The Company's Board comprises directors from diverse backgrounds and substantial experience, who can provide appropriate guidance to the executive management.
- There are pre-audit committee meetings of the chairman of the audit committee with the members of executive management who are process owners.
- Presentations by executive management team members of the Company and its joint venture, subsidiaries are regularly made to familiarize directors with key elements of each business.

1. Board of Directors

i) Composition of Board

The Company has a balanced and diverse Board. The Board provides leadership, strategic guidance, objective, and independent views 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 sustainable 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 is governed by the provisions of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The Board comprises of an optimum combination of Executive and Non-Executive Directors including an Independent Woman Director.

Composition of the Board as on 31st March, 2023 is given herein below:

Category of Directors	No. of Directors	% of total no. of Directors
Executive	2	28.57
Independent	4	57.14
Non-Executive	1	14.29
Total	**7**	**100**

The names and categories of the Directors on the Board and the number of directorships and committee chairmanship(s) / membership(s) held by them in other companies as on 31st March, 2023 are given herein below:

Sl. no	Name of Directors	Category	As on 31st March, 2023			
			Directorship in other Companies(1)		Membership and chairmanship of the committees of the Board of other Companies(2)	
			Public companies	Private companies	Chairman	Member
1	Mr. Ajay Kumar Jain	Chairman & Managing Director	2	2	-	-
2	Mr. Abhishek Jain	Chief Executive Officer & Managing Director	2	3	-	-
3	Mr. Bhuwan Kumar Chaturvedi	Independent Director	1	-	-	-
4	Mr. Pravin Kumar Gupta	Independent Director	-	-	-	-
5	Mrs. Vinay Kumari Jain	Non-Executive Director	-	1	-	-
6	Mrs. Celine George	Independent Director	-	1	-	-
7	Mr. Deepak Kumar Sethi	Independent Director	1	-	-	-

(1)Includes directorships held in public and private limited companies and excludes directorship in PPAP Automotive Limited.

(2)For the purpose of determination of limit of the Board committees, chairmanship and membership of the audit and stakeholders relationship committees in other public limited companies have been 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.

All directors of the Company hold directorship in one listed company i.e. PPAP Automotive Limited.

ii) Skill, expertise and competencies of Directors

The following core skills/expertise/competencies, as required in the context of the business and sector for it to function effectively and those actually available with the Board have been identified by the Board of directors.

Skills	Mr. Ajay Kumar Jain	Mr. Abhishek Jain	Mr. Bhuwan Kumar Chaturvedi	Mr. Pravin Kumar Gupta	Mrs. Celine George	Mrs. Vinay Kumari Jain	Mr. Deepak Kumar Sethi
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) Change in Directors

Pursuant to the provisions of the Companies Act, 2013, Mr. Abhishek Jain (DIN: 00137651), Chief Executive Officer and Managing Director, being liable to retire by rotation, shall retire at the ensuing AGM and being eligible offer himself for re-appointment at the 28th Annual General Meeting.

The Board of Directors upon the recommendation of Nomination and Remuneration Committee has re-appointed Mr. Ajay Kumar Jain (DIN: 00148839) as Chairman & Managing Director of the Company for a further period of three years w.e.f. 1st November, 2023 to 31st October, 2026, subject to the approval of shareholders at the ensuing Annual General Meeting ("AGM").

Mr. Abhishek Jain (DIN: 00137651), Chief Executive Officer & Managing Director of your Company upon recommendation of nomination and remuneration committee and approval of Board and shareholders in the AGM held on 3rd September, 2021 has been re-appointed as Chief Executive Officer and Managing Director for a period of 3 years from 1st April, 2022 to 31st March, 2025.

Mr. Deepak Kumar Sethi (DIN: 03605973), was appointed as an Additional Director (Independent) by the Board of Directors, subject to shareholder approval for first term of five consecutive years with effect from 4th February, 2023 to 3rd February, 2028.

Mr. Deepak Kumar Sethi appointment as an Independent Director for first term of five consecutive years with effect from 4th February, 2023 to 3rd February, 2028 was approved by the shareholders by postal ballot on 31st March, 2023.

The disclosure as required under the provisions of the Act, read with Secretarial Standards issued by Institute of Company Secretaries of India and Listing Regulations forms part of the Notice convening 28th Annual General Meeting.

iv) Board procedures

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

The agenda along with documents are circulated 7 (seven) days before the date of the meeting(s) in compliance with the Act, and secretarial standards issued by Institute of Company Secretaries of India.

The members of the Board have always expressed their views & opinion and decisions are taken based on consensus arrived at after detailed discussions. The Board members bring up any matter for discussion at the Board meetings in consultation with the Chairman.

During the FY2023 the Board has accepted all the recommendations of the committees of Board.

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.

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 Directors for their comments in compliance with the secretarial standards.

Senior management personnel are invited to the Board meetings as and when required to enable them to make requisite presentations on relevant issues or to provide necessary insights into the operations of the Company. 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.

The Independent Directors provide an annual confirmation that they meet the criteria of independence as per Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act, along with rules framed thereunder. Further, in terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence and are independent from the management.

Independent Director's databank registration

Pursuant to a notification dated 22nd October, 2019 issued by the Ministry of Corporate Affairs ("MCA"), all the Directors have registered/renewed the registration with the independent directors' databank. Requisite disclosures have been received from the Independent Directors in this regard.

Separate meeting of the 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 enables 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 and 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 25th March, 2023, during FY2023.

Performance evaluation criteria of independent directors

Pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out an annual performance evaluation of its own performance and that of its committees, chairman and individual directors.

The manner in which formal annual evaluation of performance was done by the Board is given below:

- The Company sent an email which informed directors regarding the automated process to carry out annual performance evaluation in accordance with the criteria approved by nomination and remuneration committee.
- From the individual ratings received from the directors, a report on summary of the ratings in respect of performance evaluation of the Board, committees, the chairman and directors for FY23 and a consolidated report thereof were arrived at.
- This report was then discussed and noted by the Board at their meeting held on 19th May, 2023.
- The nomination and remuneration committee reviewed the implementation and compliance of the performance evaluation. Based on the report of performance evaluation, the Board and nomination and remuneration committee, determined as required under law that the appointment of independent directors may continue.

Details of the Board meetings and annual general meeting held during the year

The details of attendance at the Board meetings held during FY2023 and at annual general meeting of the Company are as below:

Name of Directors	Attendance					
	Meeting 1 13th May, 2022	Meeting 2 10th August, 2022	Meeting 3 12th November, 2022	Meeting 4 4th February, 2023	Meeting 5 25th March, 2023	Last AGM 16th September, 2022
Mr. Ajay Kumar Jain	✓	✓	✓	✓	✓	✓
Mr. Abhishek Jain	✓	✓	✓	✓	✓	✓
Mr. Bhuwan Kumar Chaturvedi	✓	✓	✓	✓	✓	✓
Mr. Pravin Kumar Gupta	✓	✓	✓	✓	✓	✓
Mrs. Vinay Kumari Jain	✓	✓	✓	✓	✓	✓
Mrs. Celine George	✓	✓	✓	✓	✓	✓
Mr. Deepak Kumar Sethi(3)	-	-	-	✓	✓	-

(3)Appointed w.e.f. 4th February, 2023

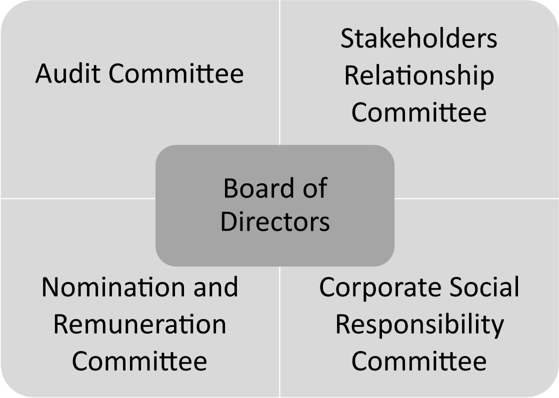
vi) Committees of the Board

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.

Each committee of the Board is guided by its terms of reference, which defines the 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 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 ('the Committee') and its composition as well as charter are in line with the requirements of the Act, and the Listing Regulations.

All members of the Committee are financially literate and have accounting or related financial management expertise as mandated by the Listing Regulations.

The Committee is governed by a charter which is in line with the regulatory requirements mandated by Regulation 18 of the Listing Regulations. The functioning and terms of reference of the Committee including the role, powers and duties, quorum for meeting and frequency of meetings, have been devised keeping in view the requirements of the Act, and the Listing Regulations are broadly as under:

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    a. Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.
    b. Changes, if any, in accounting policies and practices and reasons for the same.
    c. Major accounting entries involving estimates based on the exercise of judgment by management.
    d. Significant adjustments made in the financial statements arising out of audit findings.
    e. Compliance with listing and other legal requirements relating to financial statements.
    f. Disclosure of any related party transactions.
    g. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutional placement, and making appropriate recommendations to the board to take up steps in this matter.
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the listed entity with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. 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.
14. Discussion with internal auditors of any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. 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.
17. 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.
18. To review the functioning of the whistle blower mechanism.

19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate.
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
21. Reviewing the utilization of loans and / or advances from / investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
23. Management discussion and analysis of financial condition and results of operations.
24. Statement of significant related party transactions (as defined by the audit committee), submitted by management.
25. Management letters / letters of internal control weaknesses issued by the statutory auditors.
26. Internal audit reports relating to internal control weaknesses.
27. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
28. Statement of deviations:
    a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
    b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The details of the Committee meetings and attendance of the members of the Committee during FY2023 are as below:

Meetings, attendance & composition of the audit committee:

Name of the Committee Member	Designation	Category of Director		Attendance			
		Independent	Executive	Meeting 1 13th May, 2022	Meeting 2 10th August, 2022	Meeting 3 12th November, 2022	Meeting 4 4th February, 2023
Mr. Pravin Kumar Gupta	Chairman	✓	-	✓	✓	✓	✓
Mr. Bhuwan Kumar Chaturvedi	Member	✓	-	✓	✓	✓	✓
Mr. Abhishek Jain	Member	-	✓	✓	✓	✓	✓

In addition to the members of the Committee, these meetings were attended by Chief Financial Officer, Chief Operating Officer, internal auditors and statutory auditors of the Company, and those executives of the Company who were considered necessary for providing inputs to the Committee.

Mr. Pravin Kumar Gupta, Chairman of the Committee was present at the annual general meeting of the Company held on 16th September, 2022, to answer shareholders' queries.

The Committee relies on the expertise and knowledge of the management, the internal auditors, and the statutory auditor, 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 Indian 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 Committee were duly accepted by the Board of Directors.

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 also has the responsibility of setting criteria for appointment of Directors, senior management, and Key Managerial Personnel (KMP) of the Company, recommending appointment & remuneration 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 the Listing Regulations. 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 Act, and the Listing Regulations 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. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description.
3. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees.
4. To formulate the criteria for evaluation of independent directors and the board.
5. To devise a policy on board diversity.
6. To extend or continue the term of appointment of the independent director on the basis of the report of performance evaluation of Independent directors; and
7. To recommend / review remuneration of managing director / whole-time director.
8. To recommend to the Board, all remuneration, in whatever form, payable to senior management.
9. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate for the balancing the holistic set of skills, knowledge, wisdom, and experience on the Board. Based on such evaluation, prepare the role and responsibilities, qualifications, and capabilities required of an incoming independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. To identify suitable candidates, the Committee may:
    a) use the services of an external agencies,
    b) consider candidates from a wide range of backgrounds having due regard to diversity and,
    c) consider the time commitments of the candidates.

The committee also acts as a compensation committee for implementation of the PPAP Automotive Limited Employee Stock Option Plan 2022.

Meetings, attendance & composition of the NRC:

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

The details of the NRC meeting and attendance of the members of NRC during FY2023 is as below:

Name of Committee Member	Designation	Category of Director	Attendance			
		Independent	Meeting 1 13th May, 2022	Meeting 2 10th August, 2022	Meeting 3 12th November, 2022	Meeting 4 4th February, 2023
Mrs. Celine George	Chairperson	✓	✓	✓	✓	✓
Mr. Pravin Kumar Gupta	Member	✓	✓	✓	✓	✓
Mr. Bhuwan Kumar Chaturvedi	Member	✓	✓	✓	✓	✓

Mrs. Celine George, Chairperson of the NRC, was present at the AGM of the Company held on 16th September, 2022, to answer shareholders' queries.

Remuneration to the Directors

The appointment of the executive directors is governed by resolutions passed by the shareholders of the Company, which covers the terms and conditions of such appointment, read with the service rules of the Company. A separate service contract is not entered into by the Company with executive directors. No notice period or severance fee is payable to any Director.

The independent directors were also paid sitting fees for their separate meeting held during the year.

Details of remuneration paid and securities held by executive directors during FY2023:

(₹ in lacs)

Name of Directors	Salary and perquisite	Bonus	Commission	Others	Total	No. of equity shares held
Mr. Ajay Kumar Jain (Chairman & Managing Director)	120.40	0.17			120.57	38,67,180 90,123(4)
Mr. Abhishek Jain (CEO & Managing Director)	70.00	0.17		4.2	74.77	10,02,404

(4)Holding equity shares in the name of Ajay Kumar Jain HUF as Karta.

The executive directors are not entitled to stock option and performance linked incentive.

Non-executive directors are paid sitting fees for attending the meeting of Board and Committees of Board.

Details of sitting fees paid to non-executive directors and equity shares held by them during FY2023:

(₹ in lacs)

Name of Directors	Sitting Fees	No. of equity shares held
Mr. Bhuwan Kumar Chaturvedi	5.76	-
Mr. Pravin Kumar Gupta	5.40	-
Mrs. Celine George	3.60	-
Mr. Deepak Kumar Sethi	1.08	
Mrs. Vinay Kumari Jain	2.88	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 with the non-executive director, other than the sitting fees drawn by the non-executive directors.

Mr. Ramesh Chander Khanna, Chief Operating Officer and Mr. Deepak Kumar Sethi, Vice President are the senior management personnel of the Company. During the financial year ended 31st March, 2023 there is no change among the senior management personnel of the Company.

C. Stakeholders Relationship Committee

Stakeholders Relationship Committee ("SRC") is responsible for 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 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 the Listing Regulations. 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 the Listing Regulations are broadly as under:

1. Consider and resolve the grievances of security holders of the Company, including complaints related to transfer/ transmission 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 once. The quorum was present in the meeting.

The details of the SRC meeting and attendance of the members of SRC during FY2023 are as below:

Name of Committee Member	Designation	Category of Director			Attendance
		Independent	Non-Executive	Executive	Meeting 1 13th May, 2022
Mr. Pravin Kumar Gupta	Chairman	✓	-	-	✓
Mrs. Vinay Kumari Jain	Member	-	✓	-	✓
Mr. Abhishek Jain	Member	-	-	✓	✓

Mrs. Shivani Sehgal, Compliance Officer resigned on 25th April, 2022.

Ms. Pankhuri Agarwal is appointed as Compliance Officer w.e.f. 26th April, 2022. Ms. Pankhuri Agarwal, Company Secretary & Compliance Officer act as Secretary to SRC.

Mr. Pravin Kumar Gupta, Chairman of the SRC, was present at the AGM of the Company held on 16th September, 2022, to answer shareholders' queries.

Details of investors' complaints handled by the Company and its registrar & share transfer agent during FY2023 are as below:

Number of complaints remaining unresolved as on 1st April, 2022	0
Number of complaints received during the year	0
Number of complaints resolved during the year	0
Number of complaints remaining unresolved as on 31st March, 2023	0

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 our society.

Your Company believes in making lasting impact towards creating a just, equitable, humane, and sustainable society. The Company's endeavour to continuously evolve and ramp up the CSR activities in both social and environmental spheres improving the quality of life of our society through its CSR endeavours. The CSR initiatives of the Company are categorized into environment, education, and health care.

The CSR Policy is also available on the website of the Company and can be accessed by web link https://www.ppapco.in/assets/pdf/policies/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 CSR committee during FY2023 are as below:

Name of Committee Member	Designation	Category of Director			Attendance	
		Independent	Non-Executive	Executive	Meeting 1 13th May, 2022	Meeting 2 12th November, 2022
Mr. Bhuwan Kumar Chaturvedi	Chairman	✓	-	-	✓	✓
Mrs. Vinay Kumari Jain	Member	-	✓	-	✓	✓
Mr. Abhishek Jain	Member	-	-	✓	✓	✓

2. General body meetings

a) Annual General Meetings:

Details of last three years annual general meetings of the Company are as under:

For the year	Venue	Day, Date & Time	Number of special resolutions
2021-22	Conducted through video conferencing / other audio-visual means. Deemed location is the registered office of the Company at 54, Okhla Industrial Estate, Phase – III, New Delhi-110020.	Friday, 16th September, 2022 at 11:30 a.m.	4
2020-21	Conducted through video conferencing / other audio-visual means. Deemed location is the registered office of the Company at 54, Okhla Industrial Estate, Phase – III, New Delhi-110020.	Friday, 3rd September, 2021 at 11:30 a.m.	3
2019-20	Conducted through video conferencing / other audio-visual means. Deemed location is the registered office of the Company at 54, Okhla Industrial Estate, Phase – III, New Delhi-110020.	Friday, 25th September, 2020 at 11:00 a.m.	-

b) Postal ballot

The Company has issued Postal Ballot Notice dated 25th February, 2023, in compliance with Section 110 read with Section 108 and other applicable provisions, if any, of the Act, read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 ("the Rules") read with the General Circular No. 14/2020 dated 8th April, 2020, General Circular No. 17 / 2020 dated 13th April, 2020, in relation to extension of framework "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid - 19", and General Circular No. 11/2022 dated 28th December, 2022, in relation to extension of the framework provided in the aforementioned circulars up to 30th September, 2023 ("MCA Circulars"), issued by the Ministry of Corporate Affairs, Government of India, Regulation 44 of the Listing Regulations including any statutory modification or re-enactment thereof for the time being in force, Secretarial Standard -2 issued by the Institute of Company Secretaries of India and any other applicable laws and regulations to transact the below mentioned special businesses through special resolution by the members of PPAP Automotive Limited ("the Company") through Postal Ballot by remote e-voting process (e-voting) only.

i. Appointment of Mr. Deepak Kumar Sethi as an Independent Director of the Company

ii. Payment of remuneration by way of commission to Non-Executive Directors

Voting rights were reckoned on the paid-up value of shares registered in the name of the members on Friday, the 17th February, 2023.

The remote e-voting period commenced on Thursday, 2nd March, 2023 at 9:00 A.M. and ended on Friday, 31st March, 2023 at 05:00 P.M.

The Company has appointed Mr. Chetan Gupta, Practicing Company Secretary (CP No. 7077) and Managing Partner at APAC & Associates LLP, Company Secretaries, as the Scrutinizer to ensure that the Postal Ballot process is conducted in a fair and transparent manner.

The results were declared on Friday, 31st March, 2023 by posting the same on the website of the Company (www.ppapco.in), website of RTA ((https://instavote.linkintime.co.in) and by filing with BSE Ltd. (www.bseindia.com) and National Stock Exchange of India Ltd. (www.nseindia.com) where shares of the Company are listed. It were also be displayed on the Notice Board at the Registered Office & Corporate Office of the Company.

Consolidated summary of results of Postal Ballot is as under:

i. Appointment of Mr. Deepak Kumar Sethi as an Independent Director of the Company for the first term of five consecutive years with effect from 4th February, 2023 to 3rd February, 2028.

Number of votes polled	No. of votes in favour	No. of votes against
9255563	9253676	1887

ii. Payment of remuneration by way of commission to Non-Executive Directors for a period three financial years.

Number of votes polled	No. of votes in favour	No. of votes against
9255363	9252826	2537

Currently, no special resolution is proposed to be passed through postal ballot.

3. Disclosures

(a) Related party transactions

All related party transactions entered during year under review are on an arm's length basis and in the ordinary course of business. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. The statement of transactions entered pursuant to the omnibus approval so granted is placed before the Audit Committee for review on a quarterly basis.

For reference, the details of related party transactions in accordance with IND AS–24 are given in note no. 40 in the notes to the Financial Statements.

No material related party transactions i.e. transactions exceeding one thousand crore or ten percent of the annual consolidated turnover as per the last audited financial statements whichever is lower were entered during the year under review.

The policy on related party transactions has been uploaded on the website of the Company and can be accessed at: https://www.ppapco.in/assets/pdf/policies/Related_Party_Transactions_Policy1.pdf.

(b) Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or Securities and Exchange Board of India (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, the Securities and Exchange Board of India or any statutory authority on any matter related to capital markets during the last three years.

(c) Disclosure of accounting treatment

The Company has adopted Indian Accounting Standards as amended ("Ind AS") and accordingly the financial statements 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 Act, and the other accounting principles generally accepted in India.

(d) Whistle blower policy (Vigil mechanism)

The Company has adopted whistle blower policy that provides a formal vigil mechanism for directors and employees to report genuine concerns about the unethical behaviour, actual or suspected frauds of violation of the Company's Code of Conduct and Ethics. 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 provide for direct access to the Chairman of the audit committee in exceptional cases. The Company affirms that no employee of the Company was denied access to the Chairman of the audit committee.

This policy is also available on the Company's website and is accessible at https://www.ppapco.in/assets/pdf/policies/WHISTLE_BLOWER_POLICY-1_2.pdf

(e) 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 Act, read with the Schedules and Rules issued thereunder and Regulation 16 of the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

(f) 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.

(g) 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 financial year 2022-23:

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

(h) Payment of dividend through electronic means

The Company provides the facility for direct credit of the dividend to the shareholders' bank account. The Listing Regulations also mandate companies to credit the dividend to the shareholders electronically. Shareholders who hold shares in demat mode should inform their depository participant, whereas shareholders holding shares in physical form should inform the Company their updated bank account details.

(i) 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.

(j) Risks associated with foreign currency fluctuations

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

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

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

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

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

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.

(m) Discretionary requirements under Regulation 27 of the Listing Regulations

The status of compliance with discretionary recommendations of the Regulation 27 of the Listing Regulations with stock exchanges are provided below:

a. **The Board:** As the Chairman of the Company is an executive chairman, hence the provision on entitlement of chairperson's office at the expense of the Company in case of non-executive chairperson is not applicable.

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, 2022.

d. **Reporting of internal auditor:** Internal auditors periodically apprise the audit committee on findings and observation, if any of internal audit and actions taken thereon.

4. Evaluation of the Board's performance

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, the Board has adopted a 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. The Company has conducted online survey for evaluation of the Board and its Committees, Independent Directors, Non-Executive Directors, Executive Directors, and the Chairman of the Company.

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 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 KMP.

The Directors expressed their satisfaction with the entire evaluation process.

5. 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 auditor is a part, are as follows:

(₹ in lacs)

Type of Service	31st March, 2023
Audit fees	9.70
Tax fees	3.96
Others	0.45
Total	**14.11**

6. CEO and CFO certification

The Chief Executive Officer and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of requirements of the Regulation 17(8) of the Listing Regulations. The Chief Executive Officer and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of requirements of the Regulation 33 (2) of the Listing Regulations.

In terms of Regulation 17(8) of the Listing Regulations, the certificate duly signed by the Managing Director & Chief Executive Officer and the Chief Financial Officer 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, 2023 and is annexed to this report.

7. Familiarization program for Independent Directors

Familiarization program for Independent Directors form a part of the Board process. The Board familiarization program consists of detailed induction for all new Independent Directors when they join the Board of Directors of the Company and ongoing sessions on business strategy, operational and functional matters.

The exhaustive induction for Independent Directors enables them to be familiarized with the Company, its history, its culture, its principles, its values, and its purpose of existence. The Managing Director & CEO also makes presentations in order to facilitate clear understanding of the business of the Company and the environment in which the Company operates.

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 important developments.
- Important changes in regulatory framework having impact on the Company.
- Discussion on the state of economy, preparedness for changes etc.; and
- The manufacturing facilities of the Company at its various locations.

The Company 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 updated about Company's new projects, research & development initiatives, changes in regulatory environment and strategic direction. The Company also arranges for visits to the Company's Plants to enable them to get understanding of the processes and operations of the Company.

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 https://www.ppapco.in/assets/pdf/policies/Familiarization_programme_FY23_Annexure-VIII.pdf

8. Code of conduct and ethics

The Company has 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 2022-23.

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

The code of conduct and ethics for Board members and senior management can be accessed at the following link: https://www.ppapco.in/assets/pdf/policies/Code_of_conduct_and_Ethics-_V3.pdf

9. Subsidiary companies

All the subsidiary companies are managed by their respective board of directors. Their boards have the rights and obligations to manage such companies in the best interest of their stakeholders.

The Company has the policy for determining material subsidiaries and can be accessed at: https://www.ppapco.in/assets/pdf/policies/POLICY_FOR_DETERMINING_MATERIAL_SUBSIDIARIES1.pdf

During FY23 the Company has no material subsidiary.

10. Code of conduct for prevention of insider trading

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has code of conduct for regulating, monitoring, and reporting of trading by designated persons ('the code of conduct') and the code of practices and procedures for fair disclosure of unpublished price sensitive information ("code of practice"). The code of conduct ensures reporting of trading by the designated persons and their immediate relatives. The code of practice ensures fair disclosure of events and occurrences that could impact price discovery in the market.

11. 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.

12. 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 the Securities and Exchange Board of India / MCA or any such statutory authority is annexed and forms an integral part of this report.

13. 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 1st April, 2022.	28	1,687
Number of shareholders who approached the Company for transfer of shares and shares transferred from suspense account during the year.	-	-
Number of shareholders and aggregate number of shares transferred to the unclaimed suspense account during the year.	-	-
Aggregate number of shareholders and outstanding shares in the suspense account lying as on 31st March, 2023.	28	1,687

14. Transfer of Shares to the Investor Education and Protection Fund (IEPF)

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.

During FY2023, the Company has transferred 4254 shares in IEPFA. The total 9386 equity shares are lying with the IEPFA as on 31st March 2023. 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.

15. Credit rating

CRISIL, the reputed rating agency, has assigned the credit rating of the Company on the long-term bank facilities at 'CRISIL A/Negative' and short-term bank facilities at 'CRISIL A1 (Reaffirmed).

16. Details of loans and advances in which directors are interested are given in note no. 14 in the notes to the Financial Statements.

17. 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 online 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 the Listing Regulations, 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 Financial Express (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. and intimated to both the stock exchanges i.e. National Stock Exchange of India Limited (NSE) and BSE Limited (BSE)

c. **Website:** Pursuant to Regulation 46 of the Listing Regulations, 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.

d. **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.

e. **Designated exclusive email-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.

f. **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.

18. Shareholders' information

i)	**AGM**		
	Day	:	Friday
	Date	:	15th September, 2023
	Time	:	11:30 a.m.
	Mode	:	Through video conferencing / other audio-visual means (Deemed venue-54, Okhla Industrial Estate, Phase-III, New Delhi-110020)
ii)	**Financial year**	:	1st April to 31st March
iii)	**Quarterly Unaudited Financial Results**		
	Quarter ending 30th June, 2023	:	On or before 14th August, 2023
	Quarter ending 30th September, 2023	:	On or before 14th November, 2023
	Quarter ending 31st December, 2023	:	On or before 14th February, 2024
iv)	**Annual Audited Financial Results**		
	Year ending 31st March, 2024	:	On or before 30th May, 2024
v)	**Date of Book closure**	:	Saturday, 9th September, 2023 to Thursday, 14th September, 2023 (both days inclusive)
vi)	**Dividend Payment Date**		
	Final dividend 2022-2023 of Re. 0.5/- per equity share recommended by the Board of Directors at its meeting held on 19th May, 2023 subject to the approval of shareholders	:	If approved, will be paid within 30 days from the date of AGM.
vii)	**Listing on stock exchanges**		
	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Bandra (E), Mumbai-400051		BSE Limited Phiroje Jeejeebhoy Towers Dalal Street, Mumbai 400001

viii) Stock code

BSE : 532934

NSE : PPAP

ISIN No. : INE095I01015

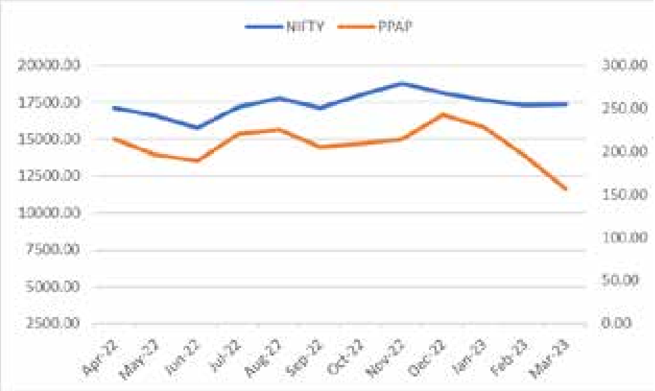
ix) Listing fees

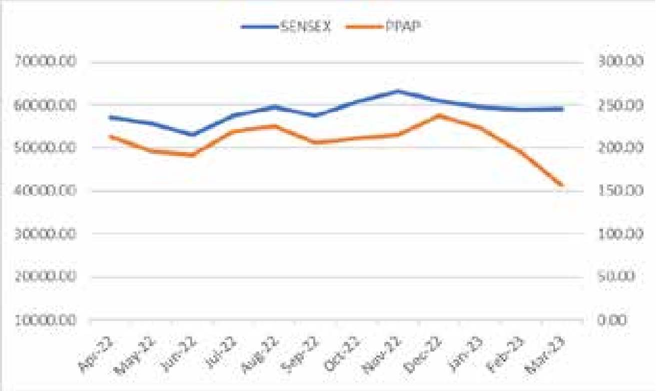
The Company has paid listing fees up to the financial year ended 31st March, 2024 to BSE Limited and National Stock Exchange of India Limited where Company's securities are listed.

x) Market price data

Market price of shares on NSE and BSE during the financial year 2022-23 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-22	17102.55	231.00	190.25	213.80	57060.87	230.00	192.35	212.65
May-22	16584.55	220.00	172.95	196.10	55566.41	218.95	168.70	196.35
Jun-22	15780.25	202.50	175.00	188.95	53018.94	210.00	174.65	191.35
Jul-22	17158.25	234.00	187.00	220.10	57570.25	232.25	188.00	219.30
Aug-22	17759.30	250.00	209.85	224.95	59537.07	248.60	210.35	225.05
Sep-22	17094.35	243.95	200.55	205.55	57426.92	244.20	201.45	205.75
Oct-22	18012.20	227.05	202.55	209.25	60746.59	235.00	202.05	211.15
Nov-22	18758.35	217.95	187.05	214.15	63099.65	218.00	186.40	214.75
Dec-22	18105.30	280.35	213.00	242.45	60840.74	282.80	210.05	237.50
Jan-23	17662.15	244.00	212.10	228.35	59549.90	251.85	218.50	223.25
Feb-23	17303.95	237.95	188.00	194.75	58962.12	233.75	187.40	195.00
Mar-23	17359.75	195.05	148.75	157.00	58991.52	198.00	147.85	156.00





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

xi) Compliance officer

Name : Ms. Pankhuri Agarwal

Designation : Company Secretary & Compliance Officer

Tel : +91-120-4093901

Email : investorservice@ppapco.com

xii) Address of Registrar and Share Transfer Agent :

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
Website: www.linkintime.co.in
Tel: +91-11-41410592 / 93 / 94

xiii) Share transfer system

SEBI had mandated that, effective from 1st April, 2019, securities of listed companies can only be transferred in dematerialized form except where the claim is lodged for transmission or transposition of shares. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Further SEBI vide Circular dated 25th January, 2022 on "Issuance of Securities in dematerialized form in case of Investor Service Requests" has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Subdivision/ Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition.

As per the requirement of Regulation 40(9) of the Listing Regulations, the Company has obtained the certificate from the Company Secretary in practice for due compliance of share transfer formalities.

xiv) Information of dividend

Information in respect of the unclaimed dividend as on 31st March, 2023, will be uploaded on the website of Investor Education and Protection Fund ("IEPF") of the Government (www.iepf.gov.in) and on the website of the Company (www.ppapco.in). Dividends, if not en-cashed for a consecutive period of 7 years, from the date of transfer to unpaid/ unclaimed dividend account of the Company, are liable to be transferred to IEPF. Further, the shares of a member who does not en-cash his dividend for a continuous period of 7 years, are also liable to be transferred to the Demat account of IEPF Authority.

xv) Distribution of shareholding

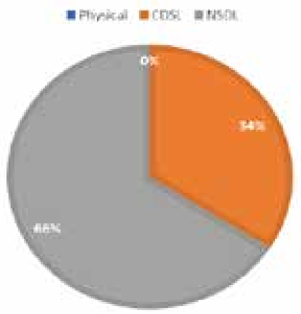
Details of category wise shareholding as on 31st March, 2023 are as below:

Categories	No. of shareholders	Percentage	No. of shares held	Percentage
1-500	15961	95.6207	1124427	8.0316
501-1000	369	2.2106	286290	2.0449
1001-2000	177	1.0604	264481	1.8892
2001-3000	69	0.4134	170479	1.2177
3001-4000	19	0.1138	69520	0.4966
4001-5000	18	0.1078	82540	0.5896
5001-10000	35	0.2097	266853	1.9061
10001-above	44	0.2636	11735410	83.8244
TOTAL	**16692**	**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	94	0.00
2.	CDSL	477 5351	34.11
3.	NSDL	9224555	65.89
	Total	**1,40,00,000**	**100.00**



xvii) Details of Shareholding Pattern as on 31st March, 2023 are as below:

S. No.	Category	Total number of shares	% of total number of shares
A.	**Promoters & Promoters' Group**		
i	Individual / Hindu Undivided Family	55,39,137	39.57
ii	Bodies Corporate	35,61,730	25.44
Total Shareholding of Promoters & Promoters' Group (A)		**91,00,867**	**65.01**
B.	**Public Shareholding**		
i	Foreign Portfolio Investor	798013	5.70
ii	Bodies Corporate	509729	3.64
iii	Foreign Companies	2,25,000	1.61
iv	Individuals	2776420	19.83
vi	Others		
	Non Resident Indians	475599	3.40
	IEPF Authority	9392	0.07
	Trusts	318	0.00
	HUF	102122	0.73
	Clearing Member	2540	0.01
Total Public Shareholding (B)		**4899133**	**34.99**
	Total (A+B)	**1,40,00,000**	**100.00**

xviii) Outstanding GDR / ADR / Warrants or any convertible instrument, conversion date and likely impact on equity

No outstanding GDR / ADR / Warrants or any convertible instrument as on 31st March, 2023.

xix) Details of utilisation of funds through preferential allotment or qualified institutional placement as specified under Regulation 32(7) of the Listing Regulations

No funds are raised through preferential allotment or qualified institutional placement.

xx) Securities are not suspended from trading during the financial year ending 31st March, 2023.

xxi) The Company's plants are located at Noida (Uttar Pradesh), Surajpur (Uttar Pradesh), Pathredi (Rajasthan), Vallam Vadagal (Tamil Nadu) and Viramgam (Gujarat).

xx) Registered office :

54, Okhla Industrial Estate,
Phase-III, New Delhi-110020
Tel: +91-011-26311671 / 26910777
E-mail: investorservice@ppapco.com

Address for correspondence and corporate office :

B-206A, Sector-81, Phase-II,
Noida-201305, U.P.
Tel: +91-120-4093901
E-mail: investorservice@ppapco.com

CERTIFICATION ON FINANCIAL STATEMENTS OF THE COMPANY FOR YEAR ENDED 31st MARCH, 2023

The Board of Directors,
PPAP Automotive Limited

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

a) We have reviewed financial statements (standalone and consolidated) of the Company for the year ended on 31st March, 2023, and that to the best of our knowledge and belief we state that :

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

d) We have indicated to the auditors and the audit committee:

   i. significant changes in internal control, if any, 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 listed entity's internal control system over financial reporting.

Place: Noida
Date: 19th May, 2023

Abhishek Jain
CEO & Managing Director

Sachin Jain
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 Managerial Personnel of the Company have affirmed due observance of the Code of Conduct and Ethics of the Company during the financial year 2022-23.

Place: Noida
Date: 19th May, 2023

Abhishek Jain
Chief Executive Officer & Managing Director

CERTIFICATE OF COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

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

1. We have reviewed the implementation of the corporate governance procedures by PPAP Automotive Limited (“the Company”) during the year ended March 31st 2023, with the relevant records and documents maintained by the Company, furnished to us for our review and report on Corporate Governance, as approved by the Board of Directors.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.
3. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has to conduct the affairs of the Company.
4. On the basis of our review and according to the best of our information and according to the explanation given to us, the Company has been complying with conditions of Corporate Governance, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For NKJ & ASSOCIATES
Company Secretaries

NEELESH KR. JAIN
Proprietor
FCS No.: 5593
C.P. No.: 5233
UDIN: F005593E000319797

Place: New Delhi
Date: 19th May, 2023

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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

We 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 us 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 the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our 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 us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company, as stated below for the financial year ending on March 31, 2023, have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, the Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of Directors	Current Designation	DIN	Date of original appointment in Company	Date of appointment at current designation	Date of cessation, if any	Remarks
1	Mr. Ajay Kumar Jain	Chairman and Managing Director	00148839	18.10.1995	01.11.2018	-	-
2	Mr. Abhishek Jain	Managing Director and Chief Executive Officer	00137651	01.12.2006	01.04.2022	-	-
3	Mr. Bhuwan Kumar Chaturvedi	Independent Director	00144487	26.12.2013	26.12.2018	-	-
4	Mrs. Celine George	Independent Director	02563846	16.04.2020	16.04.2022	-	-
5	Mr. Pravin Kumar Gupta	Independent Director	06491563	01.04.2014	01.04.2019	-	-
6	Mr. Deepak Kumar Sethi*	Independent Director	03605973	04.02.2023	04.02.2023	-	-
7	Mrs. Vinay Kumari Jain	Non-Executive Director	00228718	26.12.2013	26.12.2013	-	-

*Mr. Deepak Sethi was appointed as Additional Director (Independent) of the Company through Board resolution passed on 4th February, 2023 which was further approved by members of the Company by way of postal ballot by remote e-voting process, on 31st March, 2023.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which management has conducted the affairs of the Company.

For VLA & Associates
Company Secretaries

Vishal Lochan Aggarwal
(Proprietor)
Membership No.: F7241
C. P. No.: 7622
UDIN: F007241E000338803

Place: New Delhi
Date: 19.05.2023

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

PREFACE

The Securities & Exchange Board of India (SEBI) through a notification dated 5 May 2021 has made amendments to certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), As per the notification, companies would be required to submit a new report on ESG parameters, namely Business Responsibility and Sustainability Report (BRSR). The Indian capital markets regulator, SEBI, shall get credit for taking the lead in developing the BRSR framework. It is a comprehensive framework, which calls for more measurable, quantitative metrics to facilitate better benchmarking. For the top 1,000 Indian listed entities based on market capitalisation on the BSE Limited and National Stock Exchange of India Limited, are required to submit a Business Responsibility and Sustainability Report (BRSR). The BRSR is voluntary for Financial Year 2022 and mandatory from Financial Year 2023 onwards.

PPAP is voluntarily disclosing its 2nd Business Responsibility and Sustainability Report for FY 2022-23, providing information on key business environment, social and governance responsibility initiatives undertaken by the Company. The ESG performance of the Company is assessed quarterly by PPAP's Top management.

We are dedicated towards developing engagement with our stakeholders to achieve our mission to be a global level excellence company.

SECTION A: GENERAL DISCLOSURES

I. Company details

S.No.	Details	
1	Corporate Identity Number (CIN) of PPAP:	L74899DL1995PLC073281
2	Name of Company:	PPAP AUTOMOTIVE LIMITED
3	Year of incorporation:	18-10-1995
4	Registered office address:	54, Okhla Industrial Estate, Phase-III, New Delhi-110020
5	Corporate office address:	B-206A, Sector-81, Phase-II, Noida-201305, Uttar Pradesh
6	E-mail:	compliance@ppapco.com
7	Telephone:	91-120-4093901
8	Website:	https://www.ppapco.in/
9	Financial year for which reporting is being done:	2022-23
10	Name of the Stock Exchange(s) where shares are listed	Equity shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)
11	Paid-up Capital (in INR Cr)	14,00,00,000
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Ramesh Chander Khanna Landline number: +91-120-4093901 Email Id: sustainability@ppapco.com
13	Reporting boundary	Disclosures made in this report are on a standalone basis and limited to PPAP Automotive Limited

II. Products/ Services

14. Details of business activities:

Description of Main Activity group	Description of Business Activity	% of Turnover of PPAP
Manufacturing of automotive parts	Manufacturing of automotive parts for passenger vehicles & two-wheelers	90%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/ Service	NIC Code	% of total Turnover contributed
1	Manufacture of parts and accessories for motor vehicles	34300	100%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	5	2	7
International	Nil	Nil	Nil

17. Markets served by PPAP:

a.	Locations	Number
	National (No. of States)	9
	International (No. of Countries)	Nil

b. What is the contribution of exports as a percentage of the total turnover of the entity? Nil

c. A brief on types of customers

PPAP's esteemed clientele includes all major OEM vehicle manufacturer and tier-2 suppliers of OEM:

Passenger vehicles clientele includes Maruti Suzuki India Limited, Honda Cars India Limited, Toyota Kirloskar Motors, Hyundai, Toyota Boshoku, Kia Motors, SKODA Auto Volkswagen India Private Limited, Renault Nissan, ISUZU, Mahindra, Magna Corp, Hyundai Mobis, Motherson, Unitex, Moriroku Technology India Private Limited, TS Tech Co. Limited, Asahi India Glass Limited, Saint-Gobain, Polyplastics Industries (I) Private Limited etc.

Commercial vehicle clientele includes SML ISUZU, Faurecia.

Two-wheeler clientele includes Suzuki, Roki UNO Minda, TS Tech Co. Ltd, Motovolt, Sankei Pragati India Private Limited, JRG Automotive Industries India Private Limited, etc.

Tooling clientele includes International Automotive Components, Amber, Havells, Aisin Group, etc.

Pail Containers clientele includes Dayal Group, MD Biocoals (P) Limited.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees (including differently abled):			**Employees**			
S. No.	**Particulars**	**Total**	**Male (%)**		**Female (%)**	
			No.	**%**	**No.**	**%**
1	Permanent	1212	1193	98.43	19	1.57
2	Other than Permanent	980	827	84.39	153	15.61
3	Total	2192	2020	92.15	172	7.85

b. Differently abled Employees			**Employees**			
S. No.	**Particulars**	**Total**	**Male (%)**		**Female (%)**	
			No.	**%**	**No.**	**%**
1	Permanent	-	-	-	-	-
2	Other than Permanent	-	-	-	-	-
3	Total differently abled employees	-	-	-	-	-

Note: PPAP does not have any workers as defined in the guidance note on BRSR.

19. Participation/Inclusion/Representation of women:

	Total	**No. and % of Females**	
		No.	**%**
Board of Directors	7	2	28.57
Key Management Personnel (KMP)	4	1	25.00

20. Turnover rate for permanent employees and workers:

	FY 2022-23			**FY 2021-22**			**FY 2020-21**		
	Male	**Female**	**Total**	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**
Permanent Employees	9%	2%	11%	10%	1%	11%	15%	1%	16%
Other Than Permanent	19%	3%	22%	35%	2%	37%	29%	5%	34%

Note: PPAP does not have any workers as defined in the guidance note on BRSR.

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. Names of holding/subsidiary/associate companies/joint ventures: As of March 31, 2023

S. No.	**Name of the holding / subsidiary / associate companies / joint ventures (A)**	**Indicate whether holding/ Subsidiary/ Associate/ Joint Venture**	**% of shares held by listed entity**	**Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)**
1	PPAP Technology Limited	Wholly owned subsidiary	100%	Yes, PPAP positively influences and encourages its group companies to adopt Business Responsibility (BR) initiatives.
2	Elpis Components Distributors Private Limited	Wholly owned subsidiary	100%	
3	PPAP Tokai India Rubber Private Limited	Joint Venture	50%	

VI. CSR Details:

22. (a) **(i) Whether CSR is applicable as per section 135: (Yes/No)** Yes, applicable.

(ii) Turnover (in ₹): 495.62 Cr

(iii) Net worth (in ₹): 316.41 Cr

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any aspect of the National Guidelines on Responsible Business Conduct in the financial year:

Stakeholder group from whom complaint is received	**Grievance Redressal Mechanism in Place**	**2022-23**			**2021-22**		
		Number of complaints received during the year	**Number of complaints pending resolution at close of year**	**Remarks**	**Number of complaints received during the year**	**Number of complaints pending resolution at close of year**	**Remarks**
Shareholders	Yes	-	-	-	1	-	-
Employees	Yes	5	0	-	-	-	-
Customers	Yes	30	0	-	45	0	-
Value Chain Partners	Yes	-	-	-	-	-	-
Investors (other than shareholders)	Yes	-	-	-	-	-	-
Communities	Yes	-	-	-	-	-	-

PPAP has established a code of conduct & ethics policy, code of fair disclosure policy and whistle-blower policy to allow for the expression of concerns and grievances. This policy is consistent with PPAP's dedication to the highest possible standards of ethical, moral and legal business conduct with commitment to open communication. During the reporting year, 5 complaints from employees and 30 complaints from customers were received and all the concerns have been closed on timely basis.

Links of the same are as follows:

https://www.ppapco.in/assets/pdf/policies/Code_of_conduct_and_Ethics-_V5.pdf

https://www.ppapco.in/assets/pdf/policies/Code-of_Fair_Disclosure.pdf

https://www.ppapco.in/assets/pdf/policies/WHISTLE_BLOWER_POLICY-1_2.pdf

24. Overview of PPAP's high priority responsible business conduct issues.

PPAP's key material issues identified in the materiality matrix are divided under Environment, Social and Governance (ESG). The materiality assessment process is in accordance with Global Reporting Initiative (GRI) framework which is reviewed and approved by the PPAP's steering committee. The identification of material issues was rated considering their importance and impact on business and stakeholders.

S. No.	Material Issue identified	Risk or Opportunity (R/O)	Rationale for identifying the Risk or Opportunity	In case of risk, approach to adapt or mitigate	Positive/ Negative Implications
1	Energy & Emissions	Opportunity	Being a responsible company, we are making continuous efforts into creating a value chain with a low carbon footprint, from planning and designing to purchasing and manufacturing.	Not Applicable	Positive
2	Energy efficiency of operations	Opportunity	We are focusing on implementing an array of practices to reduce energy consumption and improve energy efficiency in our processes by using cutting-edge technology across all our facilities to reduce CO_2 emissions.	Not Applicable	Positive
3	Material Management	Risk	Supply chain disruptions, if not managed, could have an adverse effect on production volume, revenue, profitability, customer satisfaction and reputation.	An effective supply chain risk management framework enables early, proactive, engagement with our suppliers to identify and mitigate potential disruptions in supply of RM.	Negative
4	Water Management	Opportunity	We typically optimize water use in our facilities through technological interventions. Keeping track of water usage using innovative technology and equipment effectively increases water saving.	Not Applicable	Positive
5	Waste Management	Risk	Hazardous waste generated from high-end equipment to operate our facilities, require authorized treatment procedures.	The hazardous waste is sent for disposal to the treatment, storage, and disposal facility authorized by respective SPCB. Disposal of waste in compliance with operating permits and hazardous waste authorizations.	Negative
6	Supply Chain Management	Risk	We view suppliers as partners in our growth and view their position as being of utmost importance. Hence, the proper identification of an adequate supplier base aligning with our sustainability goals is crucial to our business demands.	New suppliers are screened, rated and assessed on the actual and prospective negative environmental and social repercussions. Relevant actions to prevent, reduce, or remediate the consequences are implemented.	Negative
7	Talent Attraction & Retention	Risk	Retaining key talent is of vital importance in the manufacturing industry and higher turnover could lead to increased cost of rehiring and diminishing morale among the existing workforce.	One of the primary goals of our people strategy is to align employees with strategic business imperatives. We have also continually invested in the growth and development of our employees.	Negative
8	Employee Diversity	Opportunity	We believe that an inclusive work atmosphere motivates individuals to perform better, resulting in increased business success.	Not Applicable	Positive
9	Labor Management	Opportunity	We are dedicated to ensuring a motivated, skilled and diverse staff capable of meeting our objectives by facilitating our employees' professional development in accordance with their goals and skills	Not Applicable	Positive
10	Occupational Health & Safety	Risk	PPAP has a large number of employees working across all sites. As a result, safeguarding the safety of its employees is vital for the company's continuous regulatory and social license to operate, particularly in regard to process-related hazards. If the Company's safety-related procedures or performance are deemed inadequate, or if a safety incident occurs, it will have a negative impact on the health, well-being, and morale of employees, as well as a bad reputational impact on the Company. It may also cause the Company to incur operational and financial losses, including the potential operational breakdown of the plant.	We prioritize the health, safety, and overall well-being of our employees. We have a well-defined safety organization that focuses on implementing appropriate safety measures. Our EHS policy, objectives and SOPs are all aimed at making PPAP a very safe and healthy place to work.	Negative
11	Customer Satisafction	Risk	Inconsistent customer experience impacts the satisfaction and retention of existing customers, and the attraction of new customers	We conduct customer satisfaction surveys periodically and have a grievance redressal method to ensure timely resolution of customer complaints.	Negative
12	Community Development	Opportunity	PPAP is committed towards the upliftment of the marginalized and economically weaker sections of the society through improving environment, education, health and hygiene.	Not Applicable	Positive
13	Compliance	Risk	We may face reputational damage, which could materially impact our brands and sales, if we fail to maintain the mandated environmental compliances.	We are subject to a continually evolving laws, regulations and policies that have an influence on our products and operations. Hence, Robust mechanism with real time compliance monitoring software for ensuring proactive and continual compliance evaluation has been implemented.	Positive
14	Data Privacy and Security	Risk	Data Privacy and Security breach could cause us significant business disruption, not only affecting our ability to deliver products to our customers but the personal safety of our customers and employees. Failure to meet the data protection obligations could result in enforcement action, fines, reputational and financial damage.	Since, we work in a highly automated environment and use cutting-edge technology to support a variety of operations. To mitigate information technology-related risks, we have implemented a governance framework, information security practices, and a business continuity plan.	Negative
15	Innovation and Technology	Opportunity	Our future success depends on our ability to stay attuned to evolving automotive trends in innovation and technology in order to satisfy changing customer demands in a timely manner and maintaining our product competitiveness and quality.	Not Applicable	Positive
16	Economic Performance	Opportunity	Economic performance is critical to maintain stability and positive momentum. Delivering on our business and strategic objectives is the key to realising our planned future profitability and cash generation through return on our investments.	Not Applicable	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
	Ethics & Transparency	**Product Responsibility**	**Human Resources**	**Responsiveness to Stakeholders**	**Respect for Human Rights**	**Environment Responsibility**	**Public Policy Advocacy**	**Inclusive Growth**	**Customer Engagement**
Policy and management processes									
1.a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
c. Web Link of the Policies, if available	Some policies may also comprise a combination of internal PPAP policies that are available to all internal stakeholders and are available on PPAP's website. https://www.ppapco.in/financials#codes_and_policies								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
4. Name of the national and international codes/certifications/labels/standards adopted by your entity and mapped to each principle	Most of the policies are aligned to various standards such as IATF 16949 (Quality Management System), ISO 14001 (Environment Management System), ISO 45001 (Occupational Safety & Health Management System), ISO 50001 (Energy Management System), ISO/IEC 27001 (Information Security Management System), GRI Standards and BRSR Guidelines.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	PPAP sustainability approach for FY23 includes: 1. Betterment of the local community in which we operate and the upliftment of the marginalised section of our society by providing education through Vinay and Ajay Jain Foundation. 2. Endeavour to preserve water, clean air and ensure responsible management of hazardous & non-hazardous waste. 3. We aim to achieve 45% CO2 reduction by 2030 and net zero by 2050. 4. Increase the share of renewable energy, maximize energy efficiency and offset carbon. 5. Commitment to improve gender diversity by increasing the percentage of women workforce to at least 10% on shopfloor.								
6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	PPAP strongly believes that sustainability is a journey and is constantly working on it.								
Governance, leadership, and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements.	Please refer to 'Message from Chairman & Managing Director' section of the Sustainability Report FY 22-23.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(s).	Mr. Abhishek Jain, Chief Executive Officer & Managing Director								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, PPAP's sustainability initiatives inter alia plantation, education etc are monitored by corporate social responsibility committee and Board at periodic intervals.								

	Principle wise PPAP policies	
1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and Accountable.	The Board of Directors of PPAP have adopted a Code of Conduct & Ethics policy to elucidate the ethical behaviour, transparency and accountability in its business. These are set of regulations, policies, principles, and guidelines to help maintain a lawful, honest, and ethical environment throughout PPAP. The policies, rules and guidelines in the Code of Conduct & Ethics are applicable to all Directors and employees of PPAP.
2	Businesses should provide goods and services in a manner that is sustainable and safe	PPAP takes initiative to contribute to harmonious and sustainable development of society and earth through all business activities that it carries out in each region based on its guiding principles. PPAP remains focused on reducing resources in manufacturing of products with a sustainable life cycle through innovations to provide safe, comfortable and environment friendly products.
3	Businesses should respect and promote the well-being of all employees, including those in their value chains	PPAP has various policies to support employee well-being. Besides the Code of Conduct and ethics, other policies include the Whistle Blower policy, Supplier Code of Conduct, Quality & Environment Health and Safety policy, Comprehensive Employee Health Insurance policy, policy for Training & Development are in place to ensure the well-being of all employees.
4	Businesses should respect the interests of and be responsive towards all its stakeholders	PPAP recognises employees, communities surrounding our operations, suppliers, customers, technology partner, auditors, Insurance companies, shareholders, investors, NGOs & other advocacy group and regulatory authorities as our key stakeholders and respect the interests of all its stakeholders.
5	Businesses should respect and promote human rights	PPAP follows its policy on Human Rights which are embedded in the Code of Conduct and Ethics of PPAP. The Code of Conduct and Ethics extends to PPAP and its subsidiary Companies. PPAP is committed to the fundamental principles of human rights & labour rights, workplace free of harassment and prohibition of child and forced labour. PPAP does not discriminate against any person based on their gender, caste, religion, age (within statutory limits), marital status, nationality, ancestry, ethnicity, geographical origin, sexual orientation or disability.
6	Businesses should respect, protect, and make efforts to restore the environment	PPAP has a well-defined 'Quality & Environment Health and Safety policy' and 'Energy Policy' which guides us to continually reduce our carbon footprint by conservation, reduction and energy optimization. PPAP plants are ISO 14001, 45001 and 50001 certified. PPAP works continuously to reduce the waste and is focused on creating green infrastructure by installing various energy efficient technologies. The suppliers are also encouraged and educated to follow environment friendly processes and policies.
7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent	NA
8	Businesses should promote inclusive growth and equitable development	The Company considers social development as an important aspect of its operations. To oversee implementation of various initiatives, the Company has formed a Board level committee called CSR Committee. The Company has adopted a policy on Corporate Social Responsibility focusing on Environment, Education and Healthcare sectors to streamline its efforts towards Corporate Social Responsibility.
9	Businesses should engage with and provide value to their consumers in a responsible manner	PPAP supplies to Original Equipment Manufacturers (OEMs) and there is no direct visibility for the end user. PPAP engages with its customers at various platforms to understand their expectations and has a well-defined system to measure customer satisfaction at regular intervals. Customer satisfaction are one of the most important factors of any business. PPAP constantly communicates / engages with all its customers at various platforms to understand their expectations. Customer Satisfaction trends are compiled, monitored and reviewed by top management on a periodic basis and action plans are discussed with customers.

10. Details of Review of NGRBCs by PPAP:	**Whether review was undertaken by Director / Committee of the Board/ Any other Committee**								
Subject for Review	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
Performance against above policies and follow up action	The policies of PPAP are reviewed on need or periodic basis by the Committees of Board or Board of directors of PPAP.								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	PPAP is in compliance with the extant regulations as applicable.								
Frequency (Annually, Half Yearly, Quarterly, Any other)	The Top Management quarterly reviews progress and set directions for promoting policies across PPAP. The action points that emerge from the discussions at these meetings are recorded, implemented wherever necessary and reviewed in the subsequent meetings.								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/ No). If yes, provide name of the agency.

P1	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
Policies are reviewed internally and external assistance is availed whenever required.								

12. If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
The entity does not consider the principles material to its business (Yes/No)	NA								
The entity is not at a stage where it is able to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the principles during the financial year:**

Segment	**Total number of training & awareness programs held**	**Topics /principles covered under the training and its impact**	**% Coverage by awareness programmes**
Board of Directors	2	PPAP shares business presentations periodically at the meetings of the board of directors and the committees to inform the directors about the strategy, operations, and functions of PPAP. At various board meetings, presentations are also made on safety, health and environment, risk management, PPAP policies, and changes in regulatory environment.	100%
Key Managerial Personnel	2		100%
Employees other than BOD and KMPs	2019	PPAP’s basic policy for training and development is the cultivation of “Teach and be Taught”. Trainings are based on 70-20-10 principle i.e., 10% of the time of trainee goes in classroom, 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.	100%

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings with regulators/ law enforcement agencies imposed on your company by regulatory/ judicial institutions in the financial year:**

	Monetary				
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Amount (In INR)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Penalty/ Fine			Nil		
Settlement					
Compounding fee					

	Non-Monetary			
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Imprisonment			Nil	
Punishment				

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed** Not Applicable.

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

   Yes. anti-bribery and anti-corruption are covered in PPAP’s code of conduct and ethics. The policy reiterates PPAP’s zero-tolerance approach to bribery and corruption. The policy makes ethical decision-making easier and reinforces PPAP’s culture of transparency in all its business relationships. This policy applies to all stakeholders or persons associated with PPAP or acting on behalf of PPAP.

   Link is as follows: https://www.ppapco.in/assets/pdf/policies/Code_of_conduct_and_Ethics-_V5.pdf

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2022-23	**FY 2021-22**
Directors	Nil	Nil
KMPs		
Employees		

Note: PPAP does not have any workers as defined in the guidance note on BRSR.

6. **Details of complaints with regard to conflict of interest:**

	FY 2022-23		**FY 2021-22**	
	Number	**Remarks**	**Number**	**Remarks**
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil		Nil	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7. **Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.** Not Applicable.

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the principles during the financial year:**

Total number of awareness programmes held	Topics / principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	Sustainability Training	54%
1	Supplier Conference	4%

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No)**

   Yes, PPAP has procedures in place to avoid/manage conflict of interest involving members of the Board and the same has been embedded in the code of conduct & ethics policy and related party transactions policy as follows:
   https://www.ppapco.in/assets/pdf/policies/Code_of_conduct_and_Ethics-_V5.pdf;
   https://www.ppapco.in/assets/pdf/policies/Related_Party_Transactions_Policy1.pdf

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively:**

	2022-23	2021-22	Details of improvements in environmental and social impacts
R&D	83.5%	83.5%	Reduction in RM consumption by material weight and design
Capex	0	0	Nil

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No):**

   Yes, PPAP has procedures in place for sustainable sourcing. At PPAP, we work with our suppliers so that the environmental and social impacts can be prevented or mitigated at the stage of structuring contracts or other agreements, as well as, through ongoing collaborations with suppliers. PPAP's suppliers are assessed for a range of environmental and social criteria, including human rights (such as child labour and forced or compulsory labour), employment practices, health and safety practices, industrial relations, incidents (such as abuse, coercion, or harassment), wages and compensation, and working hours. PPAP has a quality, environment, health and safety policy and encourages its suppliers to ensure compliance with these policies. It covers various issues like safety measures, SOC, POP substance declaration under PPAP's supplier manual including policy for responsible sourcing of raw material. PPAP has assessed 83% of its new suppliers in FY 2022-23 as per PPAP's environment and social criteria.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

   We monitor material consumption, minimize waste, and use more recycled materials to optimize our resource management. The circularized packaging materials are the number of bins & trolleys at the plant level that is returned from the customer, eliminating the need for extra packing material. The same bins will be reused until the end of their life cycle. For e-waste disposal, PPAP works with authorized e-waste handlers and approximately 0.83 tonne of e-waste was generated and recycled by authorized recyclers.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.** Not Applicable.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)
34300	Manufacture of parts and accessories for motor vehicles	100%	Cradle to Gate	No	No

PPAP is IATF-16949, ISO-14001, ISO-45001, ISO-50001 certified and PPAP is following all these standards while producing its products.

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective /Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

   No Life Cycle Assessment was done as customer is having authority to conduct this. However, significant social and environmental risks have been already identified during the production. The Company regularly reviews its environmental risks and undertakes initiatives to mitigate them as per the ISO 14001 standard.

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23	FY 2021-22
Plastics	1.51%	3%

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonne) reused, recycled, and safely disposed, as per the following format:**

   No product and packaging material reclaimed at end of life of products, as PPAP supplies to Original Equipment Manufacturers (OEMs) and there is no direct visibility for the end user.

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

   Not Applicable

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. **a. Details of measures for the well-being of employees:**

Category	Total	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No.	%	No.	%	No.	%	No.	%	No.	%
Permanent Employee											
a. Male	1193	213	17.85%	1193	100%	NA	NA				
b. Female	19	2	10.53%	19	100%	19	100%	NA			
c. Total	1212	215	17.74%	1212	100%	19	100%				
Other than Permanent employees											
a. Male	827	827	100%	827	100%	NA	NA				
b. Female	153	153	100%	153	100%	153	15%	NA			
c. Total	980	980	100%	980	100%	153	15.61%				

Note: PPAP does not have any workers as defined in the guidance note on BRSR.

Employees have always been an asset of PPAP. PPAP endeavours to establish long-term relationships with its employees by providing an atmosphere that is motivating and enjoyable to work in, with the goal of moving toward a high-performance socio-economic work culture at all levels.

2. **Details of retirement benefits, for Current Financial Year and Previous Financial Year.**

Benefits	FY 2022-23		FY 2021-22	
	No. of employees covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	Yes	100%	As per Act
Gratuity	100% (As per Act)	Yes	100% (As per Act)	As per Act
ESI	100% (As per Act)	Yes	100% (As per Act)	As per Act

Note: PPAP does not have any workers as defined in the guidance note on BRSR.

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Currently, there is no facility available at the plant. However, PPAP is working towards making its plants accessible to differently abled people.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Equal opportunity policy is combined in PPAP's code of conduct & ethics policy, link for the same is available: https://www.ppapco.in/assets/pdf/policies/Code_of_conduct_and_Ethics-_V5.pdf

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Other than Permanent employees	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	0	0	0	0
Female	100%	0	0	0

Note: PPAP does not have any workers as defined in the guidance note on BRSR.

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Employees	Yes (Monthly Town Hall Meeting, Help Desk)
Other than Permanent Employees	

Note: PPAP does not have any workers as defined in the guidance note on BRSR.

7. **Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

There are no employee associations at PPAP. PPAP, however, acknowledges and respects the right to freedom of association and does not oppose collective bargaining and follows all local laws for representation of labour.

8. **Details of training given to employees and workers:**

Category	FY 2022-23					FY 2021-22				
	Total	On health and safety/wellness measures		On skill upgradation		Total	On health and safety/wellness measures		On skill upgradation	
	(A)	No. (B)	% (B/A)	No. (C)	% (C/A)	(A)	No. (B)	% (B/A)	No.(C)	% (C/A)
Permanent & Other than Permanent Employees										
Male	2020	2020	100%	2020	100%	1615	1615	100%	1615	100%
Female	172	172	100%	172	100%	65	65	100%	65	100%
Total	**2192**	**2192**	100%	**2192**	100%	**1680**	**1680**	100%	**1680**	100%

Note: PPAP does not have any workers as defined in the guidance note on BRSR.

9. **Details of performance and career development reviews of employees and worker:**

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (A)	No. (B)	% (B/A)
Permanent & Other than Permanent employees						
Male	2020	2020	100%	1615	1615	100%
Female	172	172	100%	65	65	100%
Total	**2192**	**2192**	100%	**1680**	**1680**	100%

Note: PPAP does not have any workers as defined in the guidance note on BRSR.

10. a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Yes, PPAP is ISO 45001 (Occupational Safety & Health Management System) certified. Extract from the Company's "Quality Environment Health & Safety (QEHS) Policy" are displayed at the manufacturing plants in English as well as in regional languages. The Company has also developed visitor safety security procedure and entry regulation at factory with safety communication to ensure the same at all levels. PPAP covers 100% of its employees under the Occupational Safety & Health Management System.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Environment, Health and Safety (EHS) is the main focal area for PPAP since it is committed to providing a safe, secure, and healthy workplace for its employees. The company has a well-defined safety team that is in charge of conducting all safety, electrical and fire audits, risk assessments, safety meetings, and implementing necessary safety measures on identified unsafe conditions and acts (Hiyari Hatto Points) in order to prevent any near-miss or accidents. The safety team periodically conducts numerous training sessions for the employees to increase awareness regarding the work-related hazards. PPAP ensures that all the safety standards and guidelines are complied with.

c. **Whether you have processes for employees/workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)**

Yes, all the work-related hazards reported by employees is listed and a dedicated team under the safety officer is assigned to analyse and implement the counter measures to close all work-related hazards and are communicated in DWM (Daily work management), Safety committee meeting and townhall meeting.

d. **Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes, PPAP believes in creating a safe working environment for all its employees by having tie up with hospitals for employees and their families.

11. **Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
Total recordable work-related injuries		10	4
No. of fatalities		-	-
High consequence work-related injury or ill-health (excluding fatalities)		-	-

Note: PPAP does not have any workers as defined in the guidance note on BRSR.

12. **Describe the measures taken by the entity to ensure a safe and healthy workplace.**

PPAP emphasizes the importance of providing a safe and healthy workplace for all its employees and third-party contractors. PPAP regularly evaluates its workplace health, safety, and environmental performance. Along with that, following measures are continuously monitored and implemented across all units:

- Assurance of machine safety by installing safety devices during the design phase of machine manufacturing.
- EHS mobile app for reporting unsafe acts and unsafe conditions on digital platforms.
- PPAP has done the Hazard identification and Risk assessment (HIRA) of all the activities inside the premises.
- Training provided on the work-related activities as per weekly and monthly basis.
- SOP and OCP's are prepared and followed for the all the routine and non-routine activities.
- Daily KYT (Kiken yochi training or hazard prediction activity) is conducted to raise awareness among employees.
- For improvement of OHS conditions at workstations KAIZENS (continuous improvements) done

13. **Number of Complaints on the following made by employees and workers:**

Year	FY 2022-23			FY 2021-22		
Category	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Health and safety practices	2	0	Resolved	-	-	NIL
Working Conditions	3	0	Resolved	-	-	NIL

Note: PPAP does not have any workers as defined in the guidance note on BRSR.

14. **Assessments for the year:**

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)	
Health and safety practices	100%
Working Conditions	100%

All units of PPAP are assessed against ISO 45001:2018 standard. PPAP complies with all the health and safety related laws and rules.

15. **Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

No significant risks/concerns arising from assessments of health and safety practices.

Leadership Indicators

1. **Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)?** No

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

PPAP ensures that the statutory dues are deducted and remitted in conformity with regulations for transactions. Complinity software is also implemented for adherence of Legal compliance and dues. The internal and statutory audits review this activity as well. PPAP expects its value chain partners to adhere to employee well-being and uphold the values of Supplier's code of conduct & ethics.

3. **Provide the number of employees/workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees		No. of employees that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
Employees	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
			Nil	

Given the nature of operations, safety has always been an important aspect of PPAP's working culture and it has been the Company's constant endeavour to extend this safety culture among all its employees. Regular health monitoring and check-ups by external hospitals conducted as a measure of identification of any work-related ill-health. At PPAP, health & safety are a part of the company's guiding principles on employees' well-being.

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

Yes, PPAP provides transition assistance programs to facilitate continued employability through retainership & advisory engagement.

5. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	61%
Working conditions	

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

No significant risks/concerns observed from assessments of health and safety practices and working conditions of value chain partners. However, action plan is prepared in case of any non-conformity observed during the assessment.

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

PPAP has identified its stakeholders as entities or individuals that can reasonably be expected to be significantly affected by the organisation's activities, products, or services. Stakeholders are also those whose actions can reasonably be expected to affect the ability of the organisation to implement its strategies or achieve its objectives.

PPAP believes that the stakeholder engagement process serves as a tool for understanding the reasonable expectations and interests of stakeholders and their information needs.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication	Frequency	Purpose & Scope of Engagement including key topics and concerns raised during such engagement
Investors	No	AGM, Investor conferences, press releases and newsletters, Updates on website of the Company	Quarterly	Growth of the Company, Reward to shareholders, ROCE, Governance and risk management
Suppliers	Yes	Suppliers / Vendors meet via Networking & Exhibition Suppliers feedback and periodic site visits	Need based, Monthly, Quarterly	Payment terms, Growth of suppliers, Fair & transparent dealing, Logistics
Employees	No	Town hall/ Suggestions/ DWM meetings Award and Annual functions	Monthly, Quarterly	Growth opportunities, Safe working environment, Hygiene & sanitation, Talent attraction, retention, Training & development
Community	Yes	Community meetings and visits, Interaction with local bodies	Need based, Monthly, Quarterly	Livelihood support & Local employment, Healthcare facilities, Education, Air and water pollution
Customers	Yes	Customer satisfaction surveys, Direct customer relationship satisfaction initiatives	Need based, Monthly, Quarterly	Product quality and delivery, Health and safety aspects, Innovation

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

Economic, environment and social topics are discussed in the Board meeting. The consultation with stakeholders delegated to corporate governance and other concerned functions where they engage with stakeholders, take their feedback and communicate to management and board about the activity of engagement and feedback received.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, PPAP uses stakeholder consultation while deciding the sustainability materiality matrix. Materiality matrix is established by the steering committee of PPAP based on interaction of steering committee members with different stakeholders. PPAP believes that the stakeholder engagement process serves as a tool for understanding the reasonable expectations and interests of stakeholders and their information needs. Improvement in gender diversity was taken as one of the material topics in consultation with Board of directors.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder group.**

PPAP recognizes its responsibility and identifies underprivileged communities around its business locations as disadvantaged, vulnerable, and marginalized stakeholders, and engages with all such stakeholders and thrives to constantly contribute towards the betterment of the local community in which it operates and the upliftment of the vulnerable/marginalised section of our society, through "Vinay and Ajay Jain Foundation", a registered trust for focused implementation of CSR activities of the Company majorly in the field of environment, education, and Healthcare (CSR Policy available on website).

Environment: The foundation has undertaken several plantation projects in Tughlaqabad Biodiversity Park and development of a Nursery near Dera Mandi. This initiative led to employment generation of 15 beneficiaries.

Education: PPAP has sponsored School Uniforms, Books, Tuition Fees, Bus Fees for children from underprivileged sections of society at Village Salarpur and Bhangel, Noida and has aided education of 60 students.

Healthcare: 50 beneficiaries impacted through donation to Akshaya Patra Foundation and through health check-up camps, ration distribution.

Principle 5: Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(s) of the entity, in the following format:**

Category	FY 2022-23			FY 2021-22		
	Total	No.	%	Total	No.	%
			Employees			
Permanent	1212	635	52.39%	1027	1027	100%
Other than permanent	980	597	60.92%	653	653	100%
Total Employees	2192	1232	56.20%	1680	1680	100%

Note: PPAP does not have any workers as defined in the guidance note on BRSR.

2. Details of minimum wages paid to employees and workers, in the following format:

	FY 2022-23					FY 2021-22				
	Total	Equal to Minimum Wage		More than Minimum Wage		Total	Equal to Minimum Wage		More than Minimum Wage	
	(A)	No. (B)	% (B/A)	No. (B)	% (B/A)	(A)	No. (B)	% (B/A)	No. (B)	% (B/A)
				Employees						
Permanent	1212	NA		1212	100%	1027	NA		1027	100%
Male	1193			1193	100%	1021			1021	100%
Female	19			19	100%	6			6	100%
Other than Permanent	980			980	100%	653			653	100%
Male	827			827	100%	594			594	100%
Female	153			153	100%	59			59	100%

Note: PPAP does not have any workers as defined in the guidance note on BRSR.

3. Details of remuneration/salary/wages, in the following format:

Segments	Male		Female	
	Number	Average remuneration/ salary/ wages	Number	Average remuneration/ salary/ wages
Board of Directors	5	47	2	3
Key Managerial Personnel	3	4	1	1
Employees other than BOD and KMP	1158	32505	14	34344

*PPAP does not have any workers as defined in the guidance note on BRSR.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, PPAP has instituted an Internal Complaints (IC) Committee for redressal of human rights issue and for ensuring time-bound treatment of such complaints.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

PPAP is committed to the highest standards of ethical, moral, and legal business conduct. PPAP's dedication to human rights and fair treatment is outlined in its code of conduct and ethics policy. The Company is committed to the fundamental principles of human rights & labour rights, workplace free of harassment and prohibition of child labour. The Company sets a standard of 'zero tolerance' for any kind of violation of human rights.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	-	-	NA	-	-	NA
Discrimination at workplace	-	-	NA	-	-	NA
Child Labour	-	-	NA	-	-	NA
Forced Labour/Involuntary Labour	-	-	NA	-	-	NA
Wages	-	-	NA	-	-	NA
Other human rights related issues	-	-	NA	-	-	NA

Note: PPAP does not have any workers as defined in the guidance note on BRSR.

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

PPAP views all incidents of discrimination and harassment cases, very seriously and encourages employees to report any incidents of harassment to the Internal Complaints Committee (ICC) formed under Policy of Prevention of Sexual Harassment at the workplace of the Company ("POSH Policy"). Any aggrieved individual may make, in writing, a complaint of Sexual Harassment at the workplace to the Committee giving details of the harassment.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, PPAP follows its policy on Human Rights which are embedded in the Code of Conduct and Ethics of the Company. The Code of Conduct and Ethics extends to the Company and its subsidiary Companies. The Company is committed to the fundamental principles of human rights & labour rights, workplace free of harassment and prohibition of child labour. The Company sets a standard of 'zero tolerance' for any kind of discrimination or harassment, extend to value chain partners as per the contracts during supplier manual agreement.

9. Assessments for the year:

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)	
Sexual Harassment	-
Discrimination at workplace	-
Child Labour	-
Forced Labour/Involuntary Labour	-
Wages	-
Other human rights related issues	-

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

No significant risk was observed in this reporting period.

Leadership Indicators

1. Details of a business process being modified / introduced because of addressing human rights grievances/complaints.

No human right grievance/complaint received during the reporting period.

2. Details of the scope and coverage of any Human rights due diligence conducted.

No human rights due diligence conducted during the reporting period.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Currently, there is no facility available at the plant. However, PPAP is working towards making its workplace accessible to differently abled people.

4. Details on assessment of value chain partners:

% of value chain partners (by value of business done with such partners) that were assessed	
Sexual Harassment	61%
Discrimination at workplace	61%
Child Labour	61%
Forced Labour/Involuntary Labour	61%
Wages	61%
Other	61%

Based upon self-assessment by value chain partners as a part of supplier manual agreement.

5. **Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 4 above.**

   No significant risks/concerns observed in the self-assessment taken by suppliers.

Principle 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)- Giga Joules	52941	42981
Total fuel consumption (B)-Giga Joules	7725	6757
Energy consumption through other sources (C)-Giga Joules	3268	2072
Total energy consumption (A+B+C)- Giga Joules	63934	51810
Energy intensity per crore of turnover -Giga Joules/Cr. of Sales	145.02	128

Note: Independent assurance has been carried out by DQS India [Deutsch Quality Systems (India) Private Limited].

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

   No designated consumers entity in PPAP.

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	35436.31	31896
(iii) Third party water	14108	12286
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	49544.31	44182
Total volume of water consumption (in kilolitres)	49544.31	44182
Water intensity per crore of turnover (Water consumed/ turnover)	112.39	109

Note: Independent assurance has been carried out by DQS India [Deutsch Quality Systems (India) Private Limited].

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

   Yes, PPAP has implemented a mechanism for Zero Liquid Discharge. The wastewater generated from cooling towers was previously drained out in municipal drains, it is currently being stored in underground storage tanks and then used for horticulture. The wastewater is recycled in-house and reused for various purposes including (but not limited to) the following:

   - Water is being reused from the cooling extrusion for the greenbelt development and horticulture.
   - Numerous water saving initiatives led to 11132 KL of water saving in the reporting period.
   - Rainwater harvesting tanks are installed to recharge the groundwater.

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Unit	FY 2022-23	FY 2021-22
NOx	Kg	427.39	689
SOx	-	-	-
Particulate matter (PM)	Kg	67.59	45
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
CO	Kg	203.11	523

Note: Independent assurance has been carried out by DQS India [Deutsch Quality Systems (India) Private Limited].

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions	Metric tonnes of CO_2 equivalent	492.43	423
Total Scope 2 emissions		11911.66	9423
Total Scope 1 and Scope 2 emissions per crore of turnover		28.14	24

Note: Independent assurance has been carried out by DQS India [Deutsch Quality Systems (India) Private Limited].

7. **Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.**

   Yes, reduction of resources forms an integral part of PPAP's continuous focus on reducing its carbon footprint on the environment.

   - Installation of energy efficient lighting system and implementation of energy saving kaizens in the existing machineries has helped us achieve the potential of annual energy saving of 1679.94 GJ and reduction of 377.99 tonnes of CO_2 emissions. We periodically hold awareness training across all our business units to spread energy-saving habits among our staff.
   - Localisation of our raw materials has further led us to save 43.45 tonnes of CO_2 emissions.
   - Waste saving initiative has led us to save 0.22 tonnes of CO_2 emissions.

8. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	1060.53	815
E-waste (B)	0.83	1.01
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	5.53	4.4
Other Non-hazardous waste generated (H). Please specify, if any.	318.74	304
Total (A+B + C + D + E + F + G+ H)	1385.63	1124
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	208.42	1033
(ii) Re-used	-	0.2
(iii) Other recovery operations	-	-
Total	208.42	1033.2
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	1.51	1.87
(ii) Landfilling	-	0.05
(iii) Other disposal operations	-	
Total	1.51	1.92

Note: Independent assurance has been carried out by DQS India [Deutsch Quality Systems (India) Private Limited].

9. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

   PPAP recognizes that the natural resources are finite and therefore need to be conserved and recycled. In the endeavour to achieve the same it continues to evaluate opportunities for technology upgradation, improved processes for waste reduction. PPAP always focuses on 5R concept (Refrain, Reform, Reduce, Reuse and Re-cycle). PPAP has installed the bio-composter for canteen waste and recycle the food waste produced by PPAP. PPAP is using reclaimed packaging materials in the form of bins that will return from the customer, eliminating the need for single use packaging. The same bins will be reused until the end of their life cycle.

   PPAP follows the international standard of materials as per IMDS and verify the SOC/ POP free material to protect against any toxicity.

10. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:** Not Applicable.

11. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:** Not Applicable.

12. **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

    Yes, PPAP gives highest priority to ensure environment-friendly practices, having all valid consent to operate (Air & Water), Hazardous waste authorization by concerned pollution control boards, ensuring compliance with applicable environmental laws, rules, regulations, and guidelines.

Leadership Indicators

1. **Provide break-up of the total energy consumed (in Giga Joules) from renewable and non-renewable sources, in the following format:**

Parameter	FY 2022-23	FY 2021-22
From renewable sources (Solar Power)		
Total electricity consumption (A)	3268	2072
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	3268	2072
From non-renewable sources		
Total electricity consumption (D)	52941	42981
Total fuel consumption (E)	7725	6757
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	60666	49738

Note: Independent assurance has been carried out by DQS India [Deutsch Quality Systems (India) Private Limited].

2. **Provide the following details related to water discharged:**

   Yes, PPAP has implemented a mechanism for Zero Liquid Discharge. The wastewater generated from cooling towers was previously drained out in municipal drains, it is currently being stored in underground storage tanks and then used for horticulture.

3. **Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):**

   For each facility / plant located in areas of water stress, provide the following information:

   (i) **Name of the area:** Noida & Greater Noida (Uttar Pradesh), Pathredi (Rajasthan),Vallam Vadagal (Tamil Nadu), Viramgam (Gujarat)

   (ii) **Nature of operations:** Manufacturing of Automotive sealing parts (Extrusion, Injection Moulding, Assembly).

   (iii) **Water withdrawal, consumption, and discharge in the following format:**

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	35436.31	31896
(iii) Third party water	14108	12286
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	49544.31	44182
Total volume of water consumption (in kilolitres)	49544.31	44182
Water intensity per crore of turnover (Water consumed / turnover)	112.39	109
Water intensity (optional) – the relevant metric may be selected by the entity	NA	
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		

Note: Independent assurance has been carried out by DQS India [Deutsch Quality Systems (India) Private Limited].

4. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

   Currently, PPAP is only mapping its Scope 1 and Scope 2 emissions & its intensity. However, in future, PPAP will consider the mapping of its Scope 3 emissions.

5. **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

   Not Applicable.

6. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

S. No.	Initiative undertaken	Details of the initiative	Outcome of the initiative
		FY 2022-23	
1.	Energy Conservation Initiatives	Various energy efficient technology has been installed inside the ma-chines.	466650.48 kWh annual energy saving and reduction of 377.99 tCO$_2$ emis-sions
2.	Water saving Initiatives	Installation of water efficient technology and water saving taps	11132 kL water saved
3.	Waste Management Initiatives	Installation of PADCARE bins for safe disposal of sanitary napkins	0.82 kg material processed out of the 41 pads collected and 0.217 tCO$_2$ emission reduction
4	Supply Chain Initiatives	Localisation of raw material	Annual reduction of 43.45 tCO$_2$ equiva-lent to 1316 no. of trees to neutralize the same reduction in the environment.

7. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

   Yes, PPAP has a well-defined risk, business continuity and disaster management plan. The plan outlines all the contingencies along with the overall governance and monitoring of the business continuity function. Business continuity spans resources, people, processes and technology. Requisite training programmes have been conducted for the teams to be prepared to respond in a crisis. Availability of emergency supplies ensured by respective entity in planned way and exercised time to time to check their preparedness. Most of the business functions are supported through automation with the help of technology.

8. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

   No significant adverse impact has been observed to the environment, arising from the value chain.

   Ensure counter measure through periodical self-assessment by suppliers.

9. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

   61% suppliers assessed.

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**

   PPAP is a member of 7 business associations.

   b. **List the top 10 trade and industry chambers/ associations you are a member of/are affiliated to, on the basis of no. of members.**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Automotive Component Manufacturers Association of India (ACMA)	National
2	Bhiwadi Manufacturers Association (BMA)	State
3	Confederation of Indian Industries (CII)	National
4	HCI Supplier's Club Society	National
5	Maruti Suzuki Suppliers Welfare Association (MSSWA)	National
6	Tools and Gauge Manufacturers Association of India (TAGMA)	National
7	Toyota Kirloskar Suppliers Association (TKSA)	National

2. **Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.**

   Not Applicable

Leadership Indicators

1. **Details of public policy positions advocated by the entity.**

   PPAP is currently not engaged in public advocacy.

Principle 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) undertaken by PPAP for projects in the current Financial Year.**

   SIA activity has not been started yet, however, PPAP has been planning to undertake the SIA in the upcoming years.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:** Nil

3. **Describe the mechanisms to receive and redress grievances of the community.**

   Register of grievances is kept and maintained to receive and redress grievances of the community.

4. **Percentage of input material [inputs to total inputs by value (in Cr.)] sourced from suppliers:**

   PPAP undertakes initiatives to build capacities of the suppliers. PPAP supports the MSMEs in nearby locations of its plants for raw material sourcing/packaging/ consumable etc. The supply chain team of PPAP periodically visits the facilities of the vendors for their continuous upgradation and suggest them improvement points.

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	15%	11%
Sourced directly from within the district and neighbouring districts	92%	92%

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments.**

   Not Applicable.

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:** Nil

3. a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

   No

   b) **From which marginalized/vulnerable groups do you procure?**

   PPAP supports the MSMEs and small suppliers in nearby locations of its plants for raw material sourcing/packaging/ consumable etc.

   (c) **What percentage of total procurement (by value) does it constitute?**

   During the reporting period, it constituted around 15% of the total procurement (in sales).

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

   Not Applicable.

5. **Details of corrective actions taken in intellectual property related cases wherein usage of traditional knowledge is involved:**

   Not Applicable.

6. **Details of beneficiaries of CSR Projects:**

   PPAP recognizes its responsibility and identifies underprivileged communities around its business locations as disadvantaged, vulnerable, and marginalized stakeholders, and engages with all such stakeholders and thrives to constantly contribute towards the betterment of the local community in which it operates.

   125 no. of beneficiaries impacted during the reporting period:

   - Environment (15 beneficiaries through employment for plantation activities at Dera Mandi Nursery and Tuqhlaqabad Biodiversity Park)
   - Education (60 beneficiaries through fees, uniform and books donated)
   - Healthcare (50 beneficiaries through health check-up camps, ration distribution).

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   PPAP supplies to Original Equipment Manufacturers (OEMs) and there is no direct visibility for the end user. However, PPAP has a customer complaint handling system based on IATF16949:2016 and business policy of each customer. PPAP provides immediate containment action and awareness training to all concerned team members to stop out flow of suspected material to the customers. Detailed countermeasure with simulation and 4M/why-why analysis is shared with customer within two weeks from the date of complaint received. After receiving effectiveness confirmation of action, PPAP does the horizontal deployment of the action taken wherever possible and standardize the standard operating procedure and related documents. No customer complaints are pending at the end of financial year.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

Product/Services	As a % to total turnover
Environmental and social parameters relevant to the product	NA
Safe and responsible usage	
Recycling and safe disposal	

Note: PPAP supplies to Original Equipment Manufacturers (OEMs) and there is no direct visibility for the end user.

3. **Number of consumer complaints in respect of the following:**

	FY 2022-23			FY 2021-22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil					
Advertising						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						

Note: PPAP supplies to Original Equipment Manufacturers (OEMs) and there is no direct visibility for the end user.

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	-	NA
Forced recalls	-	NA

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

   Yes, PPAP has policy for cyber security and certified ISO 27001: 2013. Web-link of the policy is as follows: https://www.ppapco.in/assets/pdf/policies/Privacy_policy.pdf

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   During the reporting period, there was no observance of any issue related to cyber security, data privacy and safety of products and services.

Leadership Indicators

1. **Channels / platforms where information on products and services of PPAP can be accessed (provide web link if applicable).**

   Information on products and services can be availed from the official website of PPAP. Link for the same is as follows: https://www.ppapco.in/

2. **Steps taken to inform and educate consumers, especially vulnerable and marginalised consumers, about safe and responsible usage of products and services**

   PPAP supplies to Original Equipment Manufacturers (OEMs) and there is no direct visibility for the end user. Safe and responsible usage of product ensured by collaboration of OEM customers with their terms of manufacturing and delivery of products.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services**

   PPAP supplies to Original Equipment Manufacturers (OEMs) and there is no direct visibility for the end user. However, PPAP has contingency plan of covering the risk of disruption/discontinuation of essential services and very well informed to all customers.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief.**

   Not applicable as PPAP supplies to Original Equipment Manufacturers (OEMs) and there is no direct visibility for the end user. However, PPAP displays product label on part by laser printing as per customer requirements. The label displays information related to part manufacturing date, time and material used. We also provide details about the material used to customer like SOC (Substances of Concern) free, Conflict Mineral free, POP (Persistent Organic Pollutants) free and compliance with RoHS (Restriction of Hazardous Substances).

5. **Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   Not applicable as PPAP supplies to Original Equipment Manufacturers (OEMs) and there is no direct visibility for the end user. However, PPAP engages with its customers at various platforms to understand their expectations and has a well-defined system to measure customer satisfaction at regular intervals. Customer satisfaction are one of the most important factors of any business. Customer Satisfaction trends are compiled, monitored, and reviewed by top management on a periodic basis and action plans are discussed with customers.

6. **Provide the following information relating to data breaches:**

   a. **Number of instances of data breaches along-with impact**

      Nil

   b. **Percentage of data breaches involving personally identifiable information of customers**

      Nil

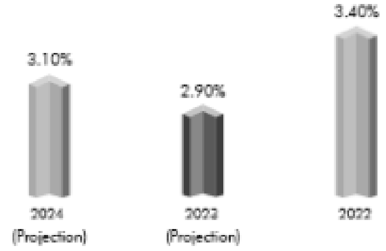
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

World Economic Overview:

The global economy is currently experiencing slow growth as it recovers from the setbacks caused by the Covid-19 pandemic and the war between Russia and Ukraine. The supply chain disruptions are gradually easing. The energy and food markets that were previously disrupted by the war are also stabilising. In addition, central banks across the world are tightening the monetary policies in order to bring inflation closer to target levels.

According to the International Monetary Fund (IMF), global growth was estimated to slow from 3.4% in CY2022 to 2.9% in CY2023. Inflation rates are expected to ease, albeit at a slower pace than initially anticipated, declining from 8.7% in CY2022 to 7.0% in CY2023 and further to 4.9% in CY2024.

World GDP Growth Rate (Calendar Year)



Source: IMF, World Economic Outlook Update

Indian Economic Overview:

India witnessed a 6.8% growth in FY23 which is significantly above the global average growth rate. The projected growth rate for FY24 is 6.1% which is healthy despite the slowdown in world economy. India's strong growth is driven by factors such as digitisation, prudent fiscal policy, push for infrastructure development, stabilising commodity prices and resilient supply chain. The Repo Rate has increased from 4.4% in May 2022 to 6.5% in April 2023 signalling the contractionary monetary policy stance to keep the inflation rate within the desired range. In the Monetary Policy Committee ('MPC') meeting held in April 2023, the RBI kept the Repo Rate unchanged at 6.5%. India's CPI and WPI inflation have eased out towards the end of FY23. The Index of Industrial Production ('IIP') for manufacturing for FY23 saw a growth of 10.94% on a Y-o-Y basis.

Auto Industry

The Indian automobile sector is one of the largest segment of the manufacturing industry and it plays a significant role in the Indian economy. During the year under review, India became the third-largest automobile market, surpassing Japan as vehicle sales rose on the back of easing semiconductor issues and a strong demand rebound.

The industry experienced a healthy upswing in FY23, supported by a recovery in economic activity and increased mobility. Demand sentiment for most automotive segments i.e. passenger cars, commercial vehicles and tractors, has remained healthy, resulting in improved sales for industry players. The commercial vehicle (CV) segment has been growing strongly, and it is even crossing the FY19 peak. This has been aided by increased infra spends by the government, healthy replacement demand, last-mile connectivity, propelling e-commerce demand and increased industrial activity. Improved margins of major commercial vehicle OEMs have been aided by the uptick in volumes, improved product mix and benefits of commodity price correction.

The Indian government has been taking various initiatives to promote the growth of the automobile sector in the country. These initiatives include the National Electric Mobility Mission Plan which aims to promote the adoption of electric vehicles in the country, and the Automotive Mission Plan 2016-26 which focuses on developing the sector's competitiveness and promoting innovation.

> **As per the Automotive Mission Plan 2026 (AMP 2026), the mid to long-term outlook for the Indian auto industry is positive. Hon'ble Prime Minister unveiled Indian Auto Industry Vision @ 100 mentioning Auto Industry is the engine of economic growth.**

Amid the ongoing electrification transition, the OEMs are expected to incur significant investments in the development of ground-up electric vehicle platforms and enhance their manufacturing capacities.

Auto Ancillary Market in India

The auto ancillary market is expected to reach INR 7,739.32 Bn by FY 2027, expanding at a compound annual growth rate (CAGR) of 12.06% during the FY 2023 – FY 2027 period. The market will benefit from the healthy exports of auto and auto components from India to high-consumption markets such as the USA, Germany, and Turkey, etc.

Further, improved demand for passenger vehicles coupled new launches of EV's augmented the market in FY 2022. The changing demographics of the country with an increasing share of the working population have contributed to the demand for our domestic consumption. Introduction of BS-VI standards of safety, the shift towards electric mobility, robust growth in domestic automobile production, and favourable government policies are some of the major growth drivers of the Indian auto ancillary market.

Group Overview

PPAP Automotive Limited (PPAP) was established in 1978 for manufacturing custom made extrusion products. Today, the company along with its subsidiaries and joint venture companies, deliver value added products to various customers in the Automotive and the Ancillary Industry.

The company's core competence is in developing Plastic and Rubber based extrusions as well as Plastic injection mouldings for various industries. The company also focuses on developing high precision plastic injection moulding tooling's.

The company started its journey of achieving Global Level Excellence in 1985 with the start of the Automotive Business. Over the years the company has strived to delight its customers in the Automotive Industry as well as Industrial Products industry. PPAP group is poised to establish itself as a leading product solutions company in the areas of its core competence.

With the advent of electrification of the Automotive Industry, PPAP has established itself as one of the leading manufacturers of Li-Ion based Battery pack solution provider for the 2-wheeler, 3-wheeler and energy storage industry.

The rapid globalization is opening new opportunities for the automobile industry, especially while it makes a shift from ICE towards electric, electronic and hybrid cars, which are deemed more efficient, safe, and reliable mode of transportation. Over the next decade, this will lead to new verticals and opportunities for auto-component manufacturers, who would need to adapt change via systematic and innovative R&D.

The group has focussed on achieving ESG standards with the objective of running the operations sustainably and responsibly. Through the company's CSR activities, there is a constant focus on enriching people's lives in areas of Environment, Education and Health. The group supports various biodiversity parks by planting and sustaining native trees to improve the environmental conditions.

We are completely poised with dynamism and resilience to navigate through the volatile environment due to our relentless focus on global level excellence, in each area, of our operations.

Automotive Parts Business:

PPAP has emerged as amongst the largest manufacturers of automotive sealing systems, interior and exterior injection moulded products in India.

The Company is dedicated to conducting customer focused research and development to deliver safer, smarter, and high-quality products. PPAP has strengthened its relationship with original equipment manufacturer ('OEM') customers. The Company serves almost all major OEMs in the passenger vehicle segment in India and has also expanded in to commercial and two and three-wheeler segment.

Your company has successfully expanded its spares and accessories business during FY23 to Wall Mount Chargers, Sunroof sealing system, 2W EV segment. The Company's product portfolio for automotive parts business is shown at page no 12.

The automotive parts business has its manufacturing presence at Noida (Uttar Pradesh), Surajpur (Uttar Pradesh), Pathredi (Rajasthan), Vallam Vadagal (Tamil Nadu) and Viramgam (Gujarat). Further sales offices are operating from Pune and Chennai.

During FY23, the Company expanded its Chennai facility to meet the future customers' requirements. It has also installed new Injection molding machines in Pathredi, Rajasthan. Measures have been undertaken to efficiency improve Line speed in Noida, Uttar Pradesh.

Factors that will significantly impact demand in F24 are:

Supply shortage of semiconductors in first half of F24

Policies by the Government to boost consumption

Aggressive Government push for infrastructure led growth

Increase in cost of ownership due to commodity price and fuel price increase

With advancements in technology, a shift to electric and autonomous vehicles, a focus on sustainability, and the rise of e-commerce and digitalization, the automotive part business is primed for major changes and growth in the future.

After market and spare parts business:

The Company has ventured into the after-market business as part of its growth and de-risking strategy. The Company through its wholly owned subsidiary company, namely, Elpis Components Distributors Private Limited ("Elpis") is engaged in this business.

The focus of Elpis is to promote spare parts as well as premium car accessories to the customer all over the country. Elpis is striving sales growth by enhancing product range majorly in all plastics, rubber sealing products as well as high quality premium car accessories & car care products through B2B & B2C channels. The Company's product portfolio for aftermarket business is shown at page no.11.

Elpis started this business with a warehouse in Okhla, New Delhi. Subsequently, it has restructured and consolidated its spare parts business in its facility located at Surajpur Industrial Area, Uttar Pradesh. This facility focuses on supply of parts to its OEM customers as well as develop and supply parts for the Company's aftermarket initiatives.

Elpis has established a distribution network and is foraying into e-commerce by promoting the products on e-commerce websites (Amazon) as well as its own online shopping portal (shopelpis.com).

Commercial Tooling Business:

The Company has commercialized its tooling facility in 2019 to make plastic injection tooling. An inhouse tooling facility, gives a complete solution to the customer wherein with one company, the customer can get everything done. That is what makes PPAP attractive over our competitors.

The tooling facility can develop Gas assist moulds, multi cavity moulds, hot runner with / without sequential valve gate, etc. for the products having special requirements like chrome plating, painting, high gloss, and graining. The commercial tooling facility is developing tooling for Automotive, Electrical, White Goods and Medical sector, as well. The Company's tooling portfolio is shown at page no.13.

The Tooling facility is situated at Surajpur Industrial Area, Uttar Pradesh.

Commercial tooling business aims to increase its reach to PAN India, shift to technology-based tooling's, enhance competitiveness, and sector diversification.

Electric Vehicle Component Business

The Company has also ventured into the Electric Vehicle ("EV") market by establishing a wholly owned subsidiary PPAP Technology Limited ("PTech") in 2020.

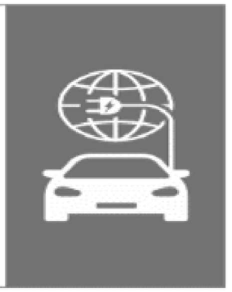
The focus is to provide engineering solutions to various customers & develop P-Tech as application engineering solution provider to customer.

Ptech have state-of-the-art facilities for design, development, and manufacturing of Li-Ion Battery Pack. The facility comprises complete manufacturing, testing and validation of Battery Packs. P-Tech manufactures Lithium-Ion battery packs for mobility and storage segments. It customizes the battery packs as per customer requirements. Ptech is also developing various solutions for energy storage systems like solar streetlights, backup power for telecom towers, UPS back up, etc. The Company's product portfolio for electric vehicle component business is shown on page no.10.

Ptech has the capacity of 213 MW /annum at Noida, Uttar Pradesh.

India has been making steady progress in the adoption of EV as part of its efforts to reduce greenhouse gas emissions and air pollution. There have been multiple interventions across Central and State Governments in this regard.

The fastest growing segment worldwide was that of Electric Vehicles (EVs) and has grown at 58% CAGR over the last five years. Annual global EV sales stand at 7.1 million which is 12.4% of total PV sales, as compared to just 1% five years back.



(Source: OICA - Organisation internationale des Constructeurs d' Automobiles)

The Union Budget 2023 also has several provisions to promote EV industry in the country. One of the most significant announcements in the budget is the reduction in customs duty on lithium batteries from 21% to 13%. The government has also reduced the Goods and Services Tax ('GST') on the sale of EVs from 12% to 5%, which is making them more affordable for buyers.

The various initiatives by government opens the gateway for electric vehicle business to flourish in near future.

Industrial Product Business

Industrial product business aims to explore plastic extrusion, plastic injection moulding and rubber extrusion in areas outside the automotive industry.

It manufactures parts for robot for solar panel cleaning, paint dispensers, pail buckets, building materials and housing equipment, home appliances including electrical home appliances & modern bath fittings. The Company's portfolio for industrial product business is shown at page no. 13

The facility is located at Surajpur Industrial Area, Uttar Pradesh.

Opportunities and threats

Opportunities

- Growing Demand in Emerging Markets: The financial year 2022-23 presented opportunities for growth in emerging markets. Rising disposable incomes, urbanization, and expanding middle-class population created a favorable environment for increased vehicle sales. We pursued market expansion strategies and tailored our product offerings to cater to the unique demands of these markets.
- Electric Vehicle (EV) Market Expansion: The increasing global demand for electric vehicles presented significant growth opportunities. We have invested in research and development to enhance our EV related products and offerings, aiming to capture a larger market share in the segment.
- Technological Advancements: Rapid technological advancements, including connectivity, autonomous driving, and advanced safety features, opened doors for innovation and differentiation. By embracing these technologies, we aim to deliver enhanced customer experiences and improve the competitiveness. Collaborations with technology partners and EV startups helped us leverage these opportunities.
- Sustainability and Emissions Reduction: The heightened focus on environmental sustainability and regulatory requirements created opportunities to develop and market eco-friendly products. Our commitment to sustainability has positioned us favorably in a market increasingly driven by environmental concerns.

Threats

- Supply Chain Disruptions: The global supply chain faced various disruptions during the financial year 2022-23, including raw material shortages, transportation challenges, and geopolitical tensions. We employed proactive risk management strategies, such as supplier diversification and inventory optimization, to mitigate these threats.
- Volatile Raw Material Prices: Fluctuations in raw material prices posed a threat to our cost structure and profitability. We closely monitored markets, hedged where appropriate, and worked with suppliers to manage price volatility. Continuous cost optimization efforts and efficiency improvements were implemented to counter these challenges.
- Competitive Landscape: The industry remained highly competitive, with established players and new entrants vying for market share. Intense competition placed pressure on pricing, margins, and market positioning. We continuously monitored market trends, consumer preferences, and competitor strategies to differentiate ourselves through product innovation, quality, and customer experience.
- Changing Regulatory Landscape: Evolving regulations, both domestic and international, poses compliance challenges and increased operational complexities. Regulatory changes necessitated ongoing monitoring, flexibility and change in our operations.

Risks

- Technological Disruptions: Rapid advancements in technology, including autonomous vehicles, connectivity, and electric mobility, created both opportunities and risks. Failure to keep pace with technological advancements could result in a loss of market share and competitiveness.

  Mitigation Strategies: We prioritized investments in research and development to stay at the forefront of technological innovation.
- Economic and Market Volatility: Economic downturns, changes in consumer spending patterns, and market uncertainties posed risks to our sales volumes, pricing power, and financial performance.

  Mitigation Strategies: We conduct regular market research and analysis to anticipate changes in consumer preferences and adjust our product offerings accordingly.

Outlook

Our relentless focus on cost management, fiscal prudence, value engineering and customer partnering has enabled the Company to record a creditable performance demonstrating its 'Engineering Advantage'. The Company is confident that it can utilise future opportunities and face future challenges with agility in order to meet the shareholders' expectation of sustainable growth and profitability. The key focus areas are:

- New Products / Services for Existing and New Customers.
- Retaining the existing Customers.
- Enhance the share of non-automotive businesses.
- Debt reduction and thereby savings in interest costs.
- Increasing the Value Addition per product.
- To improve the EBITDA margins.

Financial Performance

Despite the challenging operational environment, the Company reported a revenue growth of 20.35% on stand-alone basis.

The standalone EBITDA witnessed an increase of 16.44% during FY23 and stood at ₹ 45.55 Crores.

Significant changes in key financial ratios along with explanation forms part of Note no. 45 of standalone financial statements.

Internal Control System and their adequacy

The Indian industry has witnessed a major shift towards better internal controls with mandatory implementation of internal financial controls (IFC). The Company has put in place strong internal controls, systems and processes and keeps reviewing their adequacy from time to time. There is a strong system of both internal reviews, as well as review by external independent auditors.

Human Resources

The Company employ the best available talent in the country and considers it a privilege to work with them. Our people are the greatest contributors in the continued success, and we are committed to their overall well-being. They have been instrumental in making our organisation a 'Great Place to Work'. We believe that an inclusive work environment inspires employees to perform better, thus driving business growth.

We have a firm belief that a high quality and motivated workforce can be the key to achieve our strategic objectives. We offer innovative people practices in a manufacturing set-up with opportunities for employees across all levels. We specifically focus on talent management, employee management, employee communication and learnings & development. We also provide the right platform for our employees to their skills, competence levels and experience to help enrich our strength as an organisation. The on-the-job learning modules also help our employees to deliver higher performance and make them ready as leaders of tomorrow.

Safety, Health, and Environment

PPAP continually strives to accomplish ESG (Environment, Social and Governance) parameters.

PPAP is undertaking various environment management programmes & projects to reduce GHG footprints, energy & water intensity and waste reduction from its manufacturing operations aligning the SDGs (Sustainable Development Goals).

The key areas are:

- Prevent pollution and reduce environmental impacts
- Waste optimization regulations
- Governing chemicals and
- Contribution towards global SDG

Several certifications adopted by PPAP in this area as elaborated below:

Location	ISO IATF 16949: 2009	ISO 14001: 2015	ISO 45001: 2018	ISO 50001: 2018
PPAP				
Plant at (Noida)	Y	Y	Y	Y
Plant at (Surajpur)	Y	Y	Y	Y
Plant at (Pathredi)	Y	Y	Y	Y
Plant at (Vallam Vadagal)	*	Y	Y	*
Plant at (Viramgam)	Y	Y	Y	*

* Planned during FY24

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 2023, 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 "the 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 prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("IND AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, 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 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 Auditor's Responsibilities for the Audit of the 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 Companies Act, 2013 and the Rules issued there under 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 judgement 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 25. 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 Auditor's 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 auditor's report thereon.

Our opinion on the standalone 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the 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 Indian Accounting Standards (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 IND AS financial statements, that give 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.

Auditor's Responsibilities for the Audit of the IND AS 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 auditor's 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 auditor's 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 auditor's 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.

Materiality is the magnitude of misstatements in the interim condensed standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's 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 Section 143 (3) of the Act, based on our audit 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 purpose of our audit.
   - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
   - (c) The Balance Sheet, 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 Indian Accounting Standards specified under section 133 of the Act.
   - (e) On the basis of the written representations received from the directors as on 31st March, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
   - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure I". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
   - (g) The Company has paid excess managerial remuneration of ₹ 64.97 lakhs to Mr. Ajay Kumar Jain, Chairman & Managing director of the Company during the financial year 2023, exceeding the limits specified under section 197 of the Act read with Schedule V thereto on account of inadequacy of profits computed under Section 198 of the Act. However, the remuneration paid during the financial year 2023 was within the limits approved by the shareholder. The Company has represented to us that pursuant to section 197(10) of the Companies Act, 2013, it is in the process of seeking approval of shareholders and the said excess remuneration paid is held in trust for the Company by Mr. Ajay Kumar Jain till the necessary compliance is made. Other remuneration paid is within the limits specified in section 197 of the Act.
   - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
     - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
     - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
     - iii. There has been no delay in transferring amounts, required to be transferred during the year, to the Investor Education and Protection Fund by the Company.
     - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

       (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The dividend declared or paid during the year by the Company is in compliance with the Section 123 of the Act.

2. As required by the Companies (Auditor's Report) Order, 2020 ("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 II" a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

3. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023..

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

Place: Noida
Date: 19th May, 2023

Sanjeev Agarwal
Partner
M No.408316
UDIN: 23091885BGJIQ8080

ANNEXURE-I TO THE INDEPENDENT AUDITORS' REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of subsection 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting of **PPAP AUTOMOTIVE LIMITED** ("the Company") as of 31st March 2023 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 Management of the Company 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 (the "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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, 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 2023, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on "Audit of Internal Financial Controls Over Financial Reporting" issued by the Institute of Chartered Accountants of India.

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

Place: Noida
Date: 19th May, 2023

Sanjeev Agarwal
Partner
M No.408316
UDIN: 23091885BGJIQ8080

ANNEXURE- II TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 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 the Company's Property, Plant and Equipment and Intangible Assets:

a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The company has maintained proper records showing full particulars of intangible assets.

b) The Property, Plant and Equipment have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies were noticed on such verification.

c) According to the information and explanations given by the management, the title deeds of immoveable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) included in property, plant and equipment are held in the name of the Company.

d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

e) Based on audit procedures performed and the representation obtained from the management, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. We are explained that no material discrepancies have been noticed on physical verification.

b) During the year, the Company has been sanctioned working capital limits in excess of ₹ 5 crore by banks based on the security of Current Assets. There are no material variations between the quarterly statement of current assets filed during the year with the banks and the books of accounts.

iii. a) The Company has provided loans or advances in the nature of loans to its wholly owned subsidiary. The details of the same are given below:

Particulars	Loans
Aggregate amount during the year	
- Subsidiary	2414.35
Balance outstanding as at balance sheet date	
- Subsidiary	1472.65

The Company has not provided any loans, advances in the nature of loans, security or guarantee to any other entity during the year.

b) The investments made, guarantees provided, security given and terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not, prima facie, prejudicial to the Company's interest.

c) In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and the payment of the interest has not been stipulated.

d) There is no amount which is overdue for more than 90 days in respect of loans or advances in the nature of loans granted to subsidiary company.

e) The Company has not granted any loan or advance in the nature of loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan.

f) The Company has granted loan or advance in the nature of loan which are repayable on demand or without specifying any terms or period of repayment, as per details below:

Particulars	All Parties	Promoters	Related Parties
Aggregate of loans/advances in nature of loan			
- Repayable on demand (A)			
- Agreement does not specify any terms or period of repayment (B)	1472.65	-	1472.65
Total (A+B)	1472.65	-	1472.65
Percentage of loans/advances in nature of loan to the total loans	100%		100%

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans, investments, guarantees and security, as applicable.

v. According to the information and explanations given to us, the Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. Maintenance of Cost records has been specified by the Central Government. We have broadly reviewed such records and are of the opinion that prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. a) As per information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and 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:

Particular's	Period	Amount	Forum where appeal is pending
Sales Tax / VAT	2004-2005	45,441	Joint Commissioner of Sales Tax (Appeals)
Excise Duty	May, 2004 to July, 2004	2,11,792	Appellate Tribunal (CESTAT), Delhi
Excise Duty	April, 2015 to March, 2016	70,72,000	Appellate Tribunal (CESTAT), Delhi
Excise Duty	April, 2013 to June, 2017	18,95,000	Appellate Tribunal (CESTAT), Delhi
Income Tax	A.Y. 2017-2018	41,37,000	Commissioner (Appeals), Delhi

viii. Based on our audit procedures and on the basis of information and explanations given to us by the management, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

ix. a) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any bank or financial institution or government or any other lender during the year.

b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans during the year for the purposes for which they were raised.

d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have, prima facie, been used for long-term purposes by the company.

e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. a) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised money by way of initial public offer or further public offer including debt instruments and term Loans during the year. Accordingly, the provisions of clause 3 (x) of the Order are not applicable to the Company and hence not commented upon.

b) The company has not made preferential allotment/private placement of shares or fully or partly or optionally convertible debentures during the year covered under the provisions of Section 42 and 62 of Companies Act 2013 during the year under review.

xi. a) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the company and no material fraud on the Company has been noticed or reported during the year.

b) We report that no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

xii. The Company is not a Nidhi company and therefore clause 3(xii) of the Order related to such companies is not applicable to the Company.

xiii. Based upon the audit procedures performed and the information and explanations given by the management, all related party transactions are in compliance with the Section 177 and 188 of Companies Act, 2013. Necessary disclosures have been made in the financial statements as required by the applicable accounting standards.

xiv. a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.

b) We have considered the internal audit reports of the company issued for the current year, in determining the nature, timing and extent of our audit procedures.

xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

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. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

xvii. The company has not incurred cash losses in the financial year and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly clause 3(xviii) of the Order is not applicable.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. According to the information and explanations given to us, the Company does not have any unspent amount in respect of any ongoing or other than ongoing project as at the expiry of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

xxi. The reporting under clause 3(xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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

Place: Noida
Date: 19th May, 2023

Sanjeev Agarwal
Partner
M No.408316
UDIN: 23091885BGJIQ8080

BALANCE SHEET

AS AT 31st MARCH,2023

(₹ in lacs)

Particulars	Notes	As at 31.03.2023	As at 31.03.2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	29,255.26	26,137.98
Capital work-in-progress	3a	891.74	2,078.66
Right of use assets	4	84.22	113.85
Investment properties	5	90.39	106.28
Other intangible assets	6	746.40	877.46
Intangible assets under development	6a	172.68	-
Financial assets			
a. Investments	7	6,504.28	6,304.28
b. Other financial assets	8	243.49	373.18
Other non-current assets	9	943.41	1,031.14
		38,931.87	**37,022.83**
Current assets			
Inventories	10	5,812.35	4,291.41
Financial assets			
a. Investments	7	445.48	269.74
b. Trade receivables	11	6,191.14	5,215.54
c. Cash and cash equivalents	12	41.32	23.06
d. Other balances with banks	13	11.38	13.22
e. Loans	14	1,480.91	750.51
f. Other financial assets	8	180.73	175.21
Current tax assets (net)	15	113.82	123.78
Other current assets	16	995.74	1,145.54
		15,272.87	**12,008.01**
Total Assets		**54,204.74**	**49,030.84**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	1,400.00	1,400.00
Other equity	18	30,249.10	29,884.31
		31,649.10	**31,284.31**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	19	6,718.69	7,237.05
Lease liabilities	4	33.19	66.66
Other financial liabilities	20	19.28	22.41
Provisions	21	578.27	626.40
Deferred tax liabilities (net)	22	785.37	707.42
Current liabilities			
Financial liabilities			
Borrowings	19	5,529.56	1,937.22
Lease liabilities	4	54.46	47.16
Trade payables	23		
- total outstanding dues of micro enterprises and small enterprises		1,022.79	641.97
- total outstanding dues of creditors other than micro enterprises and small enterprises		5,194.56	4,044.29
Other financial liabilities	20	555.31	580.11
Other current liabilities	24	1,964.85	1,751.02
Provisions	21	99.31	84.82
Total Liabilities		**22,555.64**	**17,746.53**
Total Equity and Liabilities		**54,204.74**	**49,030.84**

Significant accounting policies 2
The accompanying Notes 1 to 57 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
FRN No. 000018N / N500091

Sanjeev Agarwal
Partner
Membership No: 408316

Place: Noida
Date: 19th May, 2023

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

Sachin Jain
Chief Financial Officer

Pankhuri Agarwal
Company Secretary

Place: Noida
Date: 19th May, 2023

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31st MARCH, 2023

(₹ in lacs)

Particulars	Notes	Year ended 31.03.2023	Year ended 31.03.2022
INCOME			
Revenue from operations	25	49,232.17	40,907.21
Other income	26	329.74	199.65
Total Income (I)		**49,561.91**	**41,106.86**
Expenses			
Cost of materials consumed	27	30,971.45	24,375.90
Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	(887.16)	332.18
Employee benefits expense	29	7,904.21	6,961.20
Finance costs	30	1,029.83	598.30
Depreciation and amortization expense	31	2,954.00	2,895.09
Other expenses	32	6,688.26	5,333.00
Total Expenses (II)		**48,660.59**	**40,495.66**
Profit / (loss) before tax from continuing operations (I-II)		**901.32**	**611.20**
Tax expenses	22		
Current tax		93.17	109.16
Adjustment of tax relating to earlier periods		44.12	36.55
Deferred tax		83.01	6.67
Profit / (loss) for the year		**681.02**	**458.82**
Other Comprehensive Income (OCI)	33		
Items that will not be reclassified to profit & loss in subsequent periods			
Re-measurement gains / (losses) on defined benefit plans		(20.03)	(15.47)
Income tax effect on such items		5.04	3.89
Total other comprehensive income for the year, net of tax		**(14.99)**	**(11.58)**
Total comprehensive income for the year, net of tax		**666.03**	**447.24**
Earnings per equity share (computed on the basis of profit for the year)	34		
(1) Basic (in ₹)		4.86	3.28
(2) Diluted (in ₹)		4.84	3.28

Significant accounting policies 2
The accompanying Notes 1 to 57 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
FRN No. 000018N / N500091

Sanjeev Agarwal
Partner
Membership No: 408316

Place: Noida
Date: 19th May, 2023

For and on behalf of the Board
PPAP Automotive Limited

Ajay Kumar Jain
Chairman & Managing Director
DIN: 00148839

Sachin Jain
Chief Financial Officer

Place: Noida
Date: 19th May, 2023

Abhishek Jain
CEO & Managing Director
DIN: 00137651

Pankhuri Agarwal
Company Secretary

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31st MARCH, 2023

(₹ in lacs)

Particulars	Year ended			
	31.03.2023		31.03.2022	
CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax		901.32		611.20
Adjusted for				
Depreciation and amortisation expense	2,954.00		2,895.09	
Interest expense	894.65		451.82	
Balances written off	5.69		9.64	
Provision for bad & doubtful debts	(1.06)		(1.30)	
Profit on sale of investments	(13.75)		(4.24)	
Employees share based payments	45.98		-	
Unrealised exchange Loss/(Gain)	(3.30)		(14.31)	
Interest income	(233.18)		(82.81)	
		3,649.03		3,253.89
Operating Profit before Working Capital Changes		**4,550.35**		**3,865.09**
Working capital adjustments				
Decrease / (Increase) in inventories	(1,520.94)		(114.46)	
Decrease / (Increase) in trade and other receivables	(541.15)		617.31	
Movement in trade and other payables	1,723.42		139.64	
Movement in provisions	(48.63)		(119.13)	
		(387.30)		523.36
Cash generated from operations		**4,163.05**		**4,388.45**
Direct taxes refunded / (paid)		(206.99)		(342.16)
Net cash from operating activities (A)		**3,956.06**		**4,046.29**
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant, equipment	(1,714.96)		(5,911.58)	
Purchase of assets in CWIP	(2,903.62)		(64.73)	
Purchase of intangible assets	(73.50)		(189.00)	
Purchase of Intangible assets under development	(172.68)		(3.50)	
Sale of tangible fixed assets	3.18		81.03	
Sale / (purchase) of current investments	(175.74)		(269.74)	
Sale / (purchase) of non current investments	(203.13)		(752.90)	
Profit on sale of investments	13.75		4.24	

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31st MARCH, 2023

(₹ in lacs)

Particulars	Year ended			
	31.03.2023		31.03.2022	
Investment in fixed deposits (purchased) / matured	1.84		(0.38)	
Interest income	233.18		82.81	
Net cash used in investing activities (B)		**(4,991.69)**		**(7,023.75)**
CASH FLOW FROM FINANCING ACTIVITIES				
Loan	(730.40)		(696.73)	
Payment of lease liabilities (refer note 4)	(45.05)		(26.95)	
Interest paid	(894.65)		(451.82)	
Proceeds / (repayment) of long term borrowings	(518.36)		3,011.43	
Proceeds / (repayment) of short term borrowings	3,592.34		1,203.88	
Dividends paid	(350.00)		(140.00)	
Net cash flow from financing activities (C)		**1,053.88**		**2,899.80**
Net increase in cash and cash equivalents (A+B+C)		**18.26**		**(77.65)**
Cash and cash equivalents at the beginning of the year		**23.06**		**100.71**
Cash and cash equivalents at the end of the year		**41.32**		**23.06**
Components of cash and cash equivalents at the end of the year				
Cash on hand		23.71		22.50
Balance with banks				
On current accounts		0.93		0.56
Deposits with maturity of less than 3 months		16.68		-
		41.32		**23.06**

Significant accounting policies 2

The accompanying Notes 1 to 57 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
FRN No. 000018N / N500091

Sanjeev Agarwal
Partner
Membership No: 408316

Place: Noida
Date: 19th May, 2023

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

Sachin Jain
Chief Financial Officer

Pankhuri Agarwal
Company Secretary

Place: Noida
Date: 19th May, 2023

STATEMENT OF CHANGES IN EQUITY

AS AT 31st MARCH, 2023

A. Equity share capital (refer note 17)

(₹ in lacs)

Equity shares of ₹ 10 each issued, subscribed and fully paid	No. of Shares	Amount
At 1st April, 2021	**1,40,00,000**	**1,400.00**
Issue of share capital	-	-
At 31st March, 2022	**1,40,00,000**	**1,400.00**
Issue of share capital	-	
As at 31st March, 2023	**1,40,00,000**	**1,400.00**

B. Other equity

Particulars	Reserves and Surplus				Items of Other comprehensive income	Total equity (refer note 18)
	General Reserve	Securities Premium	Retained earnings	Employee Stock Options reserve	Re-measurement gains / (losses) on defined benefit plans	
At 1st April, 2021	**1,158.95**	**7,000.00**	**21,471.22**	**-**	**(53.11)**	**29,577.06**
Net income / (loss) for the year	-	-	458.84	-	-	458.84
Other comprehensive income (note 33)					(11.58)	(11.58)
Total comprehensive income	**-**	**-**	**458.84**	**-**	**(11.58)**	**447.26**
Final dividend	-	-	(140.00)	-	-	(140.00)
As at 31st March, 2022	**1,158.95**	**7,000.00**	**21,790.06**		**(64.69)**	**29,884.31**
Net income / (loss) for the year	-	-	681.02	-	-	681.02
Share based payments (Refer note 36)	-	-	-	48.76	-	48.76
Other comprehensive income (note 33)	-	-	-		(14.99)	(14.99)
Total comprehensive income	**-**	**-**	**681.02**	**48.76**	**(14.99)**	**714.80**
Final dividend	-	-	(350.00)	-	-	(350.00)
As at 31st March, 2023	**1,158.95**	**7,000.00**	**22,121.08**	**48.76**	**(79.68)**	**30,249.10**

The accompanying Notes 1 to 57 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
FRN No. 000018N / N500091

Sanjeev Agarwal
Partner
Membership No: 408316

Place: Noida
Date: 19th May, 2023

For and on behalf of the Board
PPAP Automotive Limited

Ajay Kumar Jain
Chairman & Managing Director
DIN: 00148839

Sachin Jain
Chief Financial Officer

Place: Noida
Date: 19th May, 2023

Abhishek Jain
CEO & Managing Director
DIN: 00137651

Pankhuri Agarwal
Company Secretary

Notes to Financial Statements

for the year ended 31st March, 2023

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, India.

The company’s core competence is in developing plastic and driver-based extrusion systems as well as plastic injection moulding systems for various industries. The company is also in the business of developing high-precision plastic injection tooling for various industries. The Company’s state of the art manufacturing facilities are located in Noida (UP), Greater Noida (UP), Vallam Vadagal (Tamil Nadu) Pathredi (Rajasthan) and Ukhlod (Gujarat).

The Company is listed on the BSE Limited and the National Stock Exchange of India Limited.

The financial statements of the Company for the year ended 31st March 2023 were authorized for issue in accordance with a resolution of the Directors on 19th May, 2023.

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) as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The financial statements have been prepared on accrual and going concern basis under the historical cost convention, 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 lakh (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,
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- 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.

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.

Notes to Financial Statements

for the year ended 31st March, 2023

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 (SLM) Method. 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 Molds	15 years

Leasehold Land and 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. Investment properties

Investment properties held to earn rentals or for capital appreciation or both are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Depreciation is charged on a straight line basis over their estimated useful lives. Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognized in the statement of profit and loss. Transfer to, or from, investment property is done at the carrying amount of the property.

d. 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 and accumulated impairment loss.

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 amortisation 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 capitalised and amortised on straight line method over their estimated useful economic life of six years.

Internally generated: Research & development Costs

a) Research costs are charged to the statement of Profit and Loss in the year in which they are incurred.

b) Product development costs incurred on new dies and molds and new products are recognised as intangible assets, when feasibility has been established, the Company has committed technical, financial and other resources to complete the development and it is probable that asset will generate future economic benefits.

The cost of an internally generated intangible asset is the sum of directly attributable expenditure incurred from the date when the intangible asset first meets the recognition criteria to the completion of its development.

Product development costs is amortised over the life of the related product, being a period of 6 years. Product development expenditure is measured at cost less accumulated amortisation and impairment, if any. Amortisation is not recorded on product engineering in progress until development is complete.

e. Borrowing costs

Borrowing costs are 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 capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur.

Notes to Financial Statements

for the year ended 31st March, 2023

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.

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 moving weighted average 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 molds.

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 molds 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. 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.

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.

Notes to Financial Statements

for the year ended 31st March, 2023

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.

i. 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 recognised directly in equity/other comprehensive income is recognised under the respective head and not in the statement of profit & 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 utilised.

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 & 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.

j. Employee benefits

Short-term obligations

Liabilities for wages and salaries including non-monetary benefits that are expected to be settled within twelve months of rendering the service are recognised in the period in which the employee renders the related service and are measured at the undiscounted amount expected to be paid.

Other long-term employee benefit obligations

Other long-term employee benefits are recognised as an expense in the Statement of Profit and Loss as and when they accrue. The Company determines the liability using the Projected Unit Credit Method, with actuarial valuations carried out as at the balance sheet date. Actuarial gains and losses in respect of such benefits are charged to the Statement of Profit and Loss.

Post-employment obligations

Defined contribution plans:

The Company makes payments made to defined contribution plans such as provident fund and employees' state insurance fund. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

Notes to Financial Statements

for the year ended 31st March, 2023

Defined benefit plans:

The Company has defined benefit plan namely gratuity fund for employees. The gratuity fund is recognised by the income tax authorities and is administered through trust set up by the Company. Any shortfall in the size of the fund maintained by the trust is additionally provided for in profit or loss. The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

k. Employee Share based Payments

The Company operates equity settled share based plan for the employees (Referred to as employee stock option plan (ESOP)). ESOP granted to the employees are measured at fair value of the stock options at the grant date using Black-Scholes model. Such fair value of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity shares that will eventually vest, with a corresponding increase in equity (employee stock option reserve). At the end of each reporting period, the Company revises its estimate of number of equity shares expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that cumulative expense reflects the revised estimate, with a corresponding adjustment to the employee stock option reserve. The Company recovers the expenses incurred on behalf of its subsidiary for the stock options granted to the employees of the subsidiaries.

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 recognised 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

As a lessee:

The Company recognizes a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Lease Liability

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement

Notes to Financial Statements

for the year ended 31st March, 2023

date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

Right of Use (ROU) Assets

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2.3, Impairment of non-financial assets.

ROU assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease.

Lease liability and ROU asset is separately presented in the balance sheet and lease payments is classified as financing cash flows.

As a lessor :

The Company enters into lease arrangements as a lessor with respect to some of its investment properties and buildings.

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

n. Provisions, contingent liabilities and contingent assets

Provisions are recognised 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 recognised 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;
- 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.

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.

Notes to Financial Statements

for the year ended 31st March, 2023

o. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

(i) Ind AS 1 – Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

(ii) Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

(iii) Ind AS 12 – Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its *Standalone financial statements.*

p. 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.

q. 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
- 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.

r. 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 amortised cost**

  A financial asset is subsequently measured at amortised 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 less impairment loss, if any.

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 116.

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 analysed. On that basis, the Company estimates the following provision matrix at the reporting date:

	Less than 6 months	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**
Default rate	0.05%	1.00%	50.00%	75.00%	100.00%

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 amortised 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 profit and loss.

- **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 profit and loss.

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

Notes to Financial Statements

for the year ended 31st March, 2023

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 profit and loss.

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 profit and loss.

e) 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 profit and loss 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 favourable 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.

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

2.3 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, 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 judgements, 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.

Judgements

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

Notes to Financial Statements

for the year ended 31st March, 2023

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 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.

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.

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.

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 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. Judgements 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.

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.

Notes to Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

3. Property, plant and equipment

Particulars	Land	Factory Building	Plant & Machinery	Furniture & fixtures	Vehicle	Office Equipment	Dies & Moulds	Computer	Total
Cost									
As at 1st April, 2021	2,159.27	9,479.15	17,387.61	721.66	1,038.33	387.36	2,997.83	382.26	34,553.47
Additions	65.89	1,689.45	2,464.30	87.06	71.08	25.74	1,462.28	65.93	5,931.73
Disposals	-	-	60.06	2.44	215.83	5.21	-	1.49	285.03
Reclassification to Investment Prioperty	14.89	186.29	-	-	-	-	-	-	201.18
As at 31st March, 2022	**2,210.27**	**10,982.31**	**19,791.85**	**806.28**	**893.58**	**407.89**	**4,460.11**	**446.70**	**39,998.99**
Additions	-	1,099.16	3,768.53	165.05	29.34	93.53	590.48	59.42	5,805.51
Disposals	-	-	14.28	0.30	7.98	-	-	0.69	23.25
As at 31st March, 2023	**2,210.27**	**12,081.47**	**23,546.10**	**971.03**	**914.94**	**501.42**	**5,050.59**	**505.43**	**45,781.25**
Depreciation									
As at 1st April, 2021	48.46	1,541.68	7,150.73	280.35	553.03	279.23	1,365.42	279.25	11,498.15
Depreciation charge for the year 2021-22	21.06	352.01	1,690.25	69.08	128.49	38.05	314.11	32.81	2,645.86
Disposals	-	-	45.26	0.66	153.72	3.55	-	0.81	204.00
Reclassification to Investment Prioperty	0.36	78.64	-	-	-	-	-	-	79.00
As at 31st March, 2022	**69.16**	**1,815.05**	**8,795.72**	**348.77**	**527.80**	**313.73**	**1,679.53**	**311.25**	**13,861.01**
Depreciation charge for the year 2022-23	21.06	400.85	1,844.60	77.21	83.76	32.97	182.94	41.67	2,685.06
Disposals	-	-	13.56	0.29	5.57	-	-	0.65	20.07
As at 31st March, 2023	**90.22**	**2,215.90**	**10,626.76**	**425.69**	**605.99**	**346.70**	**1,862.47**	**352.27**	**16,526.00**
Net book value									
As at 31st March, 2023	**2,120.05**	**9,865.57**	**12,919.34**	**545.34**	**308.95**	**154.72**	**3,188.12**	**153.16**	**29,255.25**
As at 31st March, 2022	**2,141.11**	**9,167.26**	**10,996.13**	**457.51**	**365.78**	**94.16**	**2,780.58**	**135.45**	**26,137.98**

Note : Property, plant & equipment refer significant accounting policies note no 2.2b

(i) Additional disclosure / Regulatory Information as required by Notification no. GSR 207(E) dated 24.03.2021

I. The Company has not revalued its Property, Plant and Equipment during the year.

II. The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

Notes to Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

3a. Capital work-in-progress

Particulars	Building Construction	Plant & Machinery	Furniture& Fixtures	Office Equipment	Dies & Moulds	Computer	Total
As at 1st April, 2021	**1,330.68**	**587.08**	**40.36**	**12.16**	**25.84**	**17.80**	**2,013.93**
Additions	644.14	3,471.24	52.94	5.79	285.57	1.23	4,460.91
Disposals / capitalizations	1,675.92	2,305.77	69.45	14.92	311.10	19.02	4,396.18
As at 31st March, 2022	**298.90**	**1,752.55**	**23.85**	**3.03**	**0.31**	**0.01**	**2,078.66**
Additions	794.44	1,902.27	98.67	49.85	45.37	13.02	2,903.62
Disposals / capitalizations	994.68	2,882.34	120.52	52.29	27.69	13.03	4,090.55
As at 31st March, 2023	**98.66**	**772.48**	**2.00**	**0.59**	**17.99**	**-**	**891.74**

a) Ageing of Capital work-in-progress as at 31.03.2023

Capital work-in-progress	**Amount of Capital work-in-progress for a period of**				**Total**
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
Projects in progress	891.74	-	-	-	891.74
Projects temporarily suspended	-	-	-	-	-

b) Ageing of Capital work-in-progress as at 31.03.2022

Capital work-in-progress	**Amount of Capital work-in-progress for a period of**				**Total**
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
Projects in progress	2,078.66	-	-	-	2,078.66
Projects temporarily suspended	-	-	-	-	-

4. Right of use assets

Particulars	Leasehold Building	Vehicle	Total	Lease liabilities
As at 1st April, 2021				
Additions	72.20	68.57	140.77	135.70
Depreciation	16.75	10.18	26.92	-
Finance cost	-	-	-	5.07
Lease payments	-	-	-	(26.95)
As at 31st March, 2022	**55.45**	**58.40**	**113.85**	**113.82**
Additions	-	18.87	18.87	18.87
Depreciation	24.07	24.43	48.50	-
Finance cost	-	-	-	7.45
Lease payments	-	-	-	(52.50)
As at 31st March, 2023	**31.38**	**52.84**	**84.22**	**87.65**
Non-current portion				33.19
Current portion				54.46
As at 31st March, 2023				**87.65**
Non-current portion				66.66
Current portion				47.16
As at 31st March, 2022				**113.82**

The maturity analysis of lease liabilities are disclosed in Note 44.

The effective interest rate for lease liabilities is 7.55%.

Amounts recognised in the statement of profit & loss related to leases are as under:

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Depreciation expense of right-of-use assets	48.50	26.92
Interest expense on lease liabilities	7.45	5.07
Expense relating to short term and low value leases (included in other expenses)-Ref. Note 37	20.99	11.78
Total	**76.94**	**43.78**

Notes to Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

5. Investment properties	Land	Factory Building	Total
Cost as at 1st April , 2021	**-**	**-**	**-**
Reclassification from Property, plant and equipment	14.89	186.29	201.18
Disposals	-	-	-
As at 31st March, 2022	**14.89**	**186.29**	**201.18**
Depreciation	-	-	-
As at 31st March, 2023	**14.89**	**186.29**	**201.18**
Depreciation			
As at 1st April , 2021	-	-	-
Reclassification from Property, plant and equipment	0.36	78.64	79.00
Disposals	-	-	-
Depreciation charge for the year 2021-22	0.18	15.71	15.89
Disposals	-	-	-
As at 31st March, 2022	**0.54**	**94.35**	**94.90**
Depreciation charge for the year 2022-23	0.18	15.71	15.89
Disposals	-	-	-
As at 31st March, 2023	**0.72**	**110.07**	**110.79**
Net book value			
As at 31st March, 2023	**14.17**	**76.23**	**90.39**
As at 31st March, 2022	**14.35**	**91.94**	**106.28**

(a) Amount recognised in profit and Loss for Investment Properties are as under:

(₹ in lacs)

	Year ended 31.03.2023	Year ended 31.03.2022
Rental income	45.91	13.20
Direct operating expenses (including repairs and maintenance) on properties generating rental income	(1.55)	(3.46)
Depreciation and Amortization	15.89	15.89
Direct operating expenses (including repairs and maintenance) on properties not generating rental income	-	-

(b) The Company has no contractual obligations to purchase, construct or develop Investment Properties or for repairs, maintenance and enhancements. There is no restrictions on the realisability of investment properties or the remittance of income and proceeds of disposal on the Company.

Notes to Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

6. Other Intangible assets

Cost	Software	Technical Know How	Total
As at 1st April, 2021	**514.46**	**1,379.98**	**1,894.45**
Additions	36.93	152.07	189.00
Disposals	-	-	-
As at 31st March, 2022	**551.39**	**1,532.05**	**2,083.45**
Additions	15.45	58.05	73.50
Disposals	-	-	-
As at 31st March, 2023	**566.84**	**1,590.10**	**2,156.95**
Amortisation			
As at 1st April, 2022	**279.04**	**926.95**	**1,205.99**
Amortization charge for the year 2022-2023	69.00	135.55	204.55
Disposals	-	-	-
As at 31st March, 2023	**348.04**	**1,062.50**	**1,410.54**
Net book value			
As at 31st March, 2023	**218.80**	**527.60**	**746.41**
As at 31st March, 2022	**272.35**	**605.10**	**877.46**

6a. Intangible assets under development	Software
As at 1st April, 2021	16.65
Additions	3.50
Disposals / capitalizations	20.15
As at 31st March, 2022	-
Additions	174.01
Disposals / capitalizations	1.33
As at 31st March, 2023	**172.68**

a) Ageing of intangible assets under development as at 31.03.2023

Particulars	Amount of intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	172.68	-	-	-	172.68
Projects temporarily suspended	-	-	-	-	-

b) Ageing of intangible assets under development as at 31.03.2022

Particulars	Amount of intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Notes to Financial Statements
for the year ended 31st March, 2023

(₹ in lacs)

7. Investments	**Non-current**		**Current**	
	As at 31.03.2023	**As at 31.03.2022**	**As at 31.03.2023**	**As at 31.03.2022**
(a) Investments in equity shares of Subsidiaries at cost				
Unquoted				
PPAP Technology Limited (formerly PPAP Technology Private Limited and PPAP Automotive Technology Private Limited) 1,37,99,235 (31st March, 2022: 62,99,985) equity shares of ₹10 each fully paid up	1,379.92	1,379.92	-	-
Elpis Components Distributors Priavate Limited (formerly PPAP Automotive Systems Private Limited 5,00,000 (31st March, 2022: 5,00,000) equity shares of ₹10 each fully paid up	50.00	50.00	-	-
Other Equity Investment- Fair Value of Financial Guarantee given for PPAP Technology Limited *	21.36	21.36	-	-
	1,451.28	**1,451.28**	**-**	**-**
(b) Investment in equity shares of joint venture company at cost				
Unquoted				
PPAP Tokai India Rubber Private Limited 4,85,00,000 (31st March, 2022 : 4,85,00,000) equity shares of ₹10 each fully paid up	4,853.00	4,853.00	-	-
	4,853.00	**4,853.00**	**-**	**-**
Other Investments				
(c) Investment in Preference Shares at fair value through profit or loss				
Unquoted				
0.001% Compulsorily Convertible Preference Shares of Motovolt Mobility Private Limited: 4,87,800 (March 31, 2022: Nil) Shares of ₹ 10 each fully paid up #	**200.00**	-	-	-
	200.00	-	-	-
(d) Investment in mutual fund at fair value through profit or loss				
Quoted				
ICICI Mutual Fund: 2,69,773.741 (March 31, 2022: 2,69,827.123) units	-	-	63.70	60.50
PGIM Flexi Cap: 26,138.897 (March 31, 2022: 9,157.73) units	-	-	6.43	2.35
ABSL Multicap: 51,895.347 (March 31, 2022: 17,204.56) units	-	-	6.20	2.10
Aditya Birla Sunlife Mutual Fund: 3,29,56,490.22 (March 31, 2022: 2,65,773.41) units	-	-	338.77	195.45
Canara Robecco Emerging Equities: 3964.579 (March 31, 2022: 1,520.03) units	-	-	6.51	2.41
Axis Midcap: 10079.176 (March 31, 2022: 3,616.94) units	-	-	6.48	2.44
SBI Contra: 3175.039 (March 31, 2022: 1,232.25) units	-	-	7.19	2.46
Mirae Asset Focused Equity:33551.121 (March 31, 2022: 10,647.51) units	-	-	5.98	2.03
HDFC Large And Midcap Fund: 1426.197 (March 31, 2022: Nil) units	-	-	2.74	-
Mahindra Manulife Multi Cap Badhat Yojana: 4882.258 (March 31, 2022: nil) units	-	-	1.48	-
	-	-	445.48	269.74
Total	**6,504.28**	**6,304.28**	**445.48**	**269.74**

*** Financial guarantees given to subsidiary was initially recognised at fair value will continue to be accounted as Other Equity Investment until the investment in subsidiary is derecognised or impaired.**

 # Cost treated as Fair value. These preference share are non cumulative.

Aggregate value of unquoted investments	6,504.28	6,304.28
Aggregate amount of impairment in value of investments	-	-

Notes to Financial Statements
for the year ended 31st March, 2023

(₹ in lacs)

8. Other financial assets	**Non-current**		**Current**	
(Unsecured, considered good)	**As at 31.03.2023**	**As at 31.03.2022**	**As at 31.03.2023**	**As at 31.03.2022**
Security Deposits	216.79	182.54	-	-
Bank deposits (having maturity more than 12 months)	26.70	190.64	-	-
Bank deposits with original maturity of more than three months but less than 12 months	-	-	92.29	125.97
Interest accrued on deposits	-	-	35.18	3.10
Insurance claim receivable	-	-	43.77	42.70
Share based Payments to employees of Subsidiary & Joint Venture	-	-	2.78	-
Derivative instruments at fair value through profit or loss				
Foreign exchange forward contracts not qualifying or not designated in hedge accounting relationships	-	-	6.71	3.44
Total	**243.49**	**373.18**	**180.73**	**175.21**

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.

9. Other non-current assets	**As at**	**As at**
(Unsecured, considered good)	**31.03.2023**	**31.03.2022**
Capital advances	871.21	885.87
Other non current assets	72.20	145.27
Total	**943.41**	**1,031.14**

10. Inventories	**As at 31.03.2023**	**As at 31.03.2022**
Raw materials	2,961.17	2,319.36
Work-in-progress	1,162.44	513.55
Finished goods	1,318.13	1,079.86
Stores and spares	365.18	372.22
Goods in transit	5.43	6.42
Total	**5,812.35**	**4,291.41**

Note:

For mode of valuation refer accounting policy number 2.2 (g)

Notes to Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

11. Trade receivables	As at 31.03.2023	As at 31.03.2022
Unsecured, considered good	6,191.83	5,217.29
Less: Provision for doubtful receivables	0.69	1.75
Total	**6,191.14**	**5,215.54**

Trade receivables	**As at 31.03.2023**							
Outstanding for following periods from due date of payment	**Not Due**	**Less than 6 months**	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Other**	**Total**
(i) Undisputed Trade receivables – considered good	5,510.20	645.80	34.55	1.28	-	-	-	6,191.83
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**5,510.20**	**645.80**	**34.55**	**1.28**	**-**	**-**	**-**	**6,191.83**

Trade receivables	**As at 31.03.2022**							
Outstanding for following periods from due date of payment	**Not Due**	**Less than 6 months**	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Other**	**Total**
(i) Undisputed Trade receivables – considered good	4,395.31	671.61	150.38	-	-	-	-	5,217.29
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**4,395.31**	**671.61**	**150.38**	**-**	**-**	**-**	**-**	**5,217.29**

Trade receivables	**As at 31.03.2023**	**As at 31.03.2022**
Trade receivable are due from Directors or other officers of the Company either severally or jointly with any other person	-	-
Due from firms or private companies respectively in which any Director is a partner, a director or a member	168.67	259.07

Notes to Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

12. Cash and cash equivalents	As at 31.03.2023	As at 31.03.2022
Balances with banks		
On current accounts	0.93	0.56
Deposits with maturity of less than 3 months	16.68	-
Cash on hand	23.71	22.50
Total	**41.32**	**23.06**
For the purpose of statement of cash flows, cash and cash equivalents comprises the following:		
Balance with banks		
On current accounts	0.93	0.56
Deposits with maturity of less than 3 months	16.68	-
Cash on hand	23.71	22.50
Total	**41.32**	**23.06**

13. Other balances with banks	As at 31.03.2023	As at 31.03.2022
Bank Balance: unpaid dividend account (earmarked balances with banks)	11.38	13.22
Total	**11.38**	**13.22**

14. Loans	As at 31.03.2023	As at 31.03.2022
Loans to related parties		
(Considered good, unsecured)	-	-
Loan to subsidiary company	1,472.65	750.51
Other loans		
(Unsecured, considered good)		
Labour welfare receivable	8.26	-
Total	**1,480.91**	**750.51**

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.

Notes to Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

15. Current tax assets (net)	As at 31.03.2023	As at 31.03.2022
Income tax provision (net of provision for income tax ₹ 93.17 lakhs)	113.82	123.78
Total	**113.82**	**123.78**

16. Other current assets (Unsecured, considered good)	As at 31.03.2023	As at 31.03.2022
Advance to suppliers & contractors	164.77	384.64
Prepaid expenses	256.44	194.10
Balances with government authorities	574.53	566.80
Total	**995.74**	**1,145.54**

17. Equity share capital	As at 31.03.2023	As at 31.03.2022
Authorized		
2,00,00,000 equity shares of ₹ 10 each (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 (1,40,00,000 equity shares of ₹ 10 each)	**1,400.00**	1,400.00
Total	**1,400.00**	1,400.00

A. Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at 31.03.2023		As at 31.03.2022	
	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 holder of share is entitled to voting rights proportionate to their share holding.

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.

Notes to Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

C. Following shareholders hold equity shares more than 5% of the total equity shares of the Company:

Name of Shareholder	As at 31.03.2023		As at 31.03.2022	
	Number of shares held	% of holding in class	Number of shares held	% of holding in class
Ajay Kumar Jain	3,867,180	27.62%	3,867,180	27.62%
Abhishek Jain	1,002,404	7.16%	1,002,404	7.16%
Kalindi Farms Private Limited	3,200,000	22.86%	1,908,482	13.63%

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

Particulars	As at 31.03.2023	As at 31.03.2022
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

E. Details of Promoter's Shareholding

S. No.	Promoter's Name	As at 31.03.2023		As at 31.03.2022		%age change during the year
		No. of Shares	% of shares held	No. of Shares	% of shares held	
1	Ajay Kumar Jain	3,867,180	27.62%	3,867,180	27.62%	0.00%
2	Abhishek Jain	1,002,404	7.16%	1,002,404	7.16%	0.00%
3	Vinay Kumari Jain	533,890	3.81%	533,890	3.81%	0.00%
4	Ajay Kumar Jain (HUF)	90,123	0.64%	90,123	0.64%	0.00%
5	Rashi Jain	45,540	0.33%	45,540	0.33%	0.00%
6	Kalindi Farms Private Limited	3,200,000	22.86%	1,908,482	13.63%	67.67%
7	Sri Lehra Jewellers Private Limited	-	-	557,463	3.98%	-100%
8	Advance Commotrade Private Limited	-	-	222,500	1.59%	-100%
9	Littlestar Tradelinks Private Limited	-	-	198,010	1.41%	-100%
10	Prism Suppliers Private Limited	193,700	1.38%	193,700	1.38%	0%
11	Smart Commotrade Private Limited	168,030	1.20%	168,030	1.20%	0%
12	Ratnakar Dealtrade Private Limited	-	-	148,130	1.06%	-100%
13	Nikunj Foods Private Limited	-	-	146,445	1.05%	-100%

Notes to Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

18. Other equity	Amount
a) Securities premium	
As at 1st April, 2021	**7,000.00**
Issue of equity shares	-
As at 31st March, 2022	**7,000.00**
Issue of equity shares	-
As at 31st March, 2023	**7,000.00**
b) Actuarial gains / losses on defined benefit employee obligations	
As at 1st April, 2021	**(53.11)**
Other comprehensive income for the period	(11.58)
As at 31st March, 2022	**(64.69)**
Other comprehensive income for the period	(14.99)
As at 31st March, 2023	**(79.68)**
c) Employee Stock Options reserve	
As at 1st April, 2022	**-**
Employee Stock Options reserve for the period	**48.76**
As at 31st March, 2023	**48.76**
d) General reserve	
As at 1st April, 2021	**1,158.95**
Add: Transferred from retained earnings	-
As at 31st March, 2022	**1,158.95**
Add: Transferred from retained earnings	-
As at 31st March, 2023	**1,158.95**
e) Retained earnings	
As at 1st April, 2021	**21,471.23**
Profit for the period	458.82
Less: Final dividend paid	(140.00)
As at 31st March, 2022	**21,790.05**
Profit for the period	681.02
Less: Final dividend paid	(350.00)
As at 31st March, 2023	**22,121.07**
Total other equity	
As at 31st March, 2023	**30,249.10**
As at 31st March, 2022	**29,884.31**

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) Employee Stock Options reserve

The Company has share option scheme under which options to subscribe for the Company's shares have been granted to certain executives and senior employees.

The employee stock options reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer Note 36 for further details of these plans.

d) 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.

e) 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, 2023

(₹ in lacs)

19. Borrowings	Non-current		Current	
	As at 31.03.2023	**As at 31.03.2022**	**As at 31.03.2023**	**As at 31.03.2022**
Secured				
Term loans				
Term loan from banks	8,002.35	7,111.54	-	-
Term loan from financial institution	393.97	760.18	499.71	809.38
Vehicle loans				
From banks	83.45	106.77	-	-
Less: Current maturities	(1,761.08)	(741.44)	1,761.08	741.44
Working capital loans from banks (refer note vi below)	-	-	3,268.77	386.40
Total	**6,718.69**	**7,237.05**	**5,529.56**	**1,937.22**

Terms of borrowings

Type of loan	Loan outstanding		MCLR/ Repo. Rate	Spread	Repayment terms
	As at 31.03.2023	As at 31.03.2022	(% per annum)	(% per annum)	
AXIS bank term loan	648.15	870.37	5.90	2.90	Repayable in 54 monthly installment ₹18.52 lakhs each.
	1,906.11	2,190.00	5.90	2.90	Repayable in 54 monthly installment ₹ 40.56 lakhs each.
	269.81	-	5.90	2.90	Repayable in 54 monthly installment ₹ 5.74 lakhs each.
HDFC bank term loan	990.45	1,350.00	8.65	0.45	Repayable in 20 quarterly installment ₹90.00 lakhs each.
	173.24	236.84	8.65	0.45	Repayable in 19 quarterly installment ₹15.79 lakhs each.
	2,000.00	-	8.65	0.45	Repayable in 18 quarterly installment ₹111.11 lakhs each.
HSBC bank term loan	328.43	464.33	8.30	0.25	Repayable in 60 monthly installment ₹11.33 lakhs each.
	1,341.67	1,610.00	8.30	0.25	Repayable in 60 monthly installment ₹26.83 lakhs each.
	344.50	390.00	8.30	0.25	Repayable in 60 monthly installment ₹6.50 lakhs each.
Term loan from financial institution (PICUP)	893.68	1,569.56	-	-	Repayable in one installment after seven years from the date of disbursement i.e. 27.12.2016 for ₹ 499.71 lakhs, 02.11.2018 for ₹ 432.99 lakhs and 30.03.2022 for ₹ 109.49 lakhs.
Vehicle loans from banks	83.45	106.77	7.35 % to 8.35% per annum	-	Repayable in equal monthly instalments of 1 to 60 months
Working capital loans from banks- see Note vi & vii	3,268.77	386.40	see Note vii		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.

Notes to Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

Note iii:

Secured by way of hypothecation of vehicles.

Note iv:

The Company has satisfied all the loan covenants.

Note v:

The Company has used the loans for the purpose for which these were taken.

Note vi:

Secured by hypothecation of inventories, book debts, other current assets, factory land and building situated at at B-206A, Sector-81, Phase-II, Noida.

Note vii:

Bank	Facility	Limit	MCLR / Repo. Rate (% per annum)	Spread (% per annum)
HSBC Bank	CC	2,100.00	8.35	0.85
HDFC Bank	CC	1,800.00	8.20	-
ICICI Bank	CC	2,200.00	8.35	0.10
Axis Bank	CC	100.00	8.90	-

Details submitted in quarterly yearly statement with the bankers vs books of accounts

Particulars	Period	Amount as per Financials	Amount filed with Bankers	Difference	Period	Amount as per Financials	Amount filed with Bankers	Difference
Eligible Trade Receivables	31.03.2023	6,191.14	6,191.14	-	30.09.2022	5532.00	5,532.00	-
Eligible Inventories	31.03.2023	5,812.35	5,812.35	-	30.09.2022	5535.47	5535.47	-
Other Current Assets reported to banks	31.03.2023	1,176.47	1,176.47	-	30.09.2022	1439.67	1439.67	-
Any Other Financial Information reported to banks in quarterly returns	31.03.2023	-	-	-	30.09.2022	-	-	-

Notes to Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

20. Other financial liabilities	Non-current		Current	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Security deposits	**4.03**	**4.03**	**44.18**	**44.21**
Interest accrued on borrowings	-	-	43.06	18.07
Creditors for expenses	-	-	457.25	505.16
Unclaimed dividends	-	-	10.82	12.67
Fair Value of Financial Guarantee given	15.25	18.38	-	-
Total	**19.28**	**22.41**	**555.31**	**580.11**

(₹ in lacs)

21. Provisions	Non-current		Current	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Provision for employee benefits				
Provision for gratuity	424.41	487.51	74.07	66.62
Provision for compensated absences (Refer note 35 for Ind AS 19 disclosures)	153.86	138.89	25.24	18.20
Total	**578.27**	**626.40**	**99.31**	**84.82**

22. Income Taxes

The major components of income tax expense for the year ended 31st March, 2023 and 31st March, 2022 are:

A. Statement of profit and loss

(i) Profit & loss section

Particulars	As at 31.03.2023	As at 31.03.2022
Current income tax charge	93.17	109.16
Adjustments in respect of current income tax of previous year	44.12	36.55
Deferred tax		
Relating to origination and reversal of temporary differences	83.01	6.67
Income tax expense reported in the statement of profit & loss	**220.30**	**152.38**

(ii) OCI section **Deferred tax related to items recognised in OCI during the year:**	As at 31.03.2023	As at 31.03.2022
Net (loss) / gain on remeasurements of defined benefit plans	5.04	3.89
Income tax charged to OCI	**5.04**	**3.89**

Notes to Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

B. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for financial year ended 31st March, 2023 and 31st March, 2022.

Particulars	As at 31.03.2023	As at 31.03.2022
Accounting profit before tax from continuing operations	901.32	611.20
Profit / (loss) before tax from a discontinued operation	-	-
Accounting profit before income tax	**901.32**	**611.20**
At India's statutory income tax rate of 25.168% (31st March, 2022: 25.168%)	226.85	153.83
Adjustments in respect of current income tax of previous years	44.12	36.55
Net disallowances on which deferred tax is not recognised	8.10	4.83
Exempted income / deductions	(18.25)	(14.95)
Incremental deferred tax on account of financial assets and other items	(40.51)	(27.88)
	220.30	**152.38**
Income tax expense reported in the statement of profit and loss	220.30	152.38
	220.30	**152.38**

C. Deferred tax

Deferred tax relates to the following:

Particulars	Balance sheet		Statement of profit and loss / OCI	
	As at 31.03.2023	As at 31.03.2022	Year ended 31.03.2023	Year ended 31.03.2022
Accelerated depreciation for tax purposes	986.54	835.80	(150.76)	(50.99)
Provision for gratuity & leave encashment	(257.72)	(229.92)	27.80	11.06
Present valuation of borrowings & other items of temporary differences	56.55	101.54	44.99	37.15
Deferred tax (expense) / income			**(77.97)**	**(2.78)**
Net deferred tax (assets) / liabilities	**785.37**	**707.42**		

Reflected in the balance sheet as follows:

Particulars	As at 31.03.2023	As at 31.03.2022
Deferred tax assets	(257.72)	(229.92)
Deferred tax liabilities	1,043.09	937.34
Deferred tax liabilities, net	**785.37**	**707.42**

Reconciliation of deferred tax liabilities (net)

Particulars	As at 31.03.2023	As at 31.03.2022
Opening balance	**707.42**	**704.64**
Tax (income) / expense during the period recognized in profit & loss	83.01	6.67
Tax (income) / expense during the period recognized in OCI	(5.06)	(3.89)
Closing balance	**785.37**	**707.42**

Notes to Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

23. Trade payables

	As at 31.03.2023	As at 31.03.2022
total outstanding dues of micro and small enterprises	1,022.79	641.97
total outstanding dues of creditors other than micro and small enterprises	5,194.56	4,044.29
Total	**6,217.35**	**4,686.26**

Trade payables	**As at 31.03.2023**						
Outstanding for following periods from due date of payment	**Not due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Other**	**Total**
(i) MSME	727.53	295.26	-	-	-	-	1,022.79
(ii) Others	3,612.18	1,582.39	-	-	-	-	5,194.56
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-	-	-
Total	**4,339.71**	**1,877.64**	**-**	**-**	**-**	**-**	**6,217.35**

Trade payables	**As at 31.03.2022**						
Outstanding for following periods from due date of payment	**Not due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Other**	**Total**
(i) MSME	641.97	-	-	-	-	-	641.97
(ii) Others	2,684.47	1,329.36	30.46	-	-	-	4,044.29
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-	-	-
Total	**3,326.44**	**1,329.36**	**30.46**	**-**	**-**	**-**	**4,686.26**

24. Other current liabilities

	As at 31.03.2023	As at 31.03.2022
Advance from customers	1,376.81	1,171.08
Advance to staff	5.75	11.64
Statutory dues payable	582.29	568.30
Total	**1,964.85**	**1,751.02**

25. Revenue from operations

	Year ended 31.03.2023	Year ended 31.03.2022
Sale of products		
Automotive parts	45,987.20	37,803.93
Moulds	3,181.78	2,605.21
	49,168.98	40,409.14
Other operating revenue		
GST subsidy	63.19	463.49
Investment subsidy on employment	-	34.58
Total	**49,232.17**	**40,907.21**

Performance obligations and remaining performance obligations

The remaining performance obligations 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, 2023 (31st March, 2022: Nil).

Notes to Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

26. Other income	Year ended 31.03.2023	Year ended 31.03.2022
Other non operating income		
Interest income	233.18	82.81
Profit on sale of investment	12.10	0.07
Gain on fair valuation of current investments	1.65	4.17
Foreign exchange gain	-	38.54
Rent received	68.25	52.06
Unclaimed balances written off	5.69	9.64
Hedging gain	1.61	-
Allowance for credit loss (net)	1.06	1.30
Discount and short recovery	1.47	-
Guarantee/ Commission Income	4.73	4.88
Miscellaneous income	-	6.18
Total	**329.74**	**199.65**

27. Cost of materials consumed	Year Ended 31.03.2023	Year ended 31.03.2022
Raw material	28,258.51	22,075.74
Dyes & chemicals	281.34	195.71
Packing material	944.86	635.23
Steel	508.77	653.96
Dies & molds	977.97	815.26
Total	**30,971.45**	**24,375.90**

28. Changes in inventories of finished goods, stock in trade and work-in-progress	Year ended 31.03.2023	Year ended 31.03.2022
Inventories at the beginning of the year		
Work-in-progress	513.55	346.04
Work-in-progress of inhouse manufactured molds	-	755.44
Finished goods	1,079.85	824.10
Total inventories at the beginning of the year (A)	**1,593.40**	**1,925.58**
Inventories at the end of the year		
Work-in-progress	1,162.44	513.55
Finished goods	1,318.12	1,079.85
Total inventories at the end of the year (B)	**2,480.56**	**1,593.40**
Total (A-B)	**(887.16)**	**332.18**

29. Employee benefits expense	Year ended 31.03.2023	Year ended 31.03.2022
Salaries and wages	6,942.53	6,259.00
Contribution to provident and other funds	324.90	317.66
Staff welfare expenses	636.78	384.54
Total	**7,904.21**	**6,961.20**

Notes to Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

30. Finance costs	Year ended 31.03.2023	Year ended 31.03.2022
Interest expense	1,022.38	593.23
Interest on lease liabilities	7.45	5.07
Total	**1,029.83**	**598.30**

31. Depreciation and amortization expense	Year ended 31.03.2023	Year ended 31.03.2022
Depreciation of Property, Plant and Equipment (refer note 3)	2,685.06	2,645.84
Depreciation of Right of Use Assets (refer note 4)	48.50	26.92
Depreciation of Investment Properties (refer note 5)	15.89	15.89
Amortization of Intangible Assets (refer note 6)	204.55	206.44
Total	**2,954.00**	**2,895.09**

32. Other expenses	Year ended 31.03.2023	Year ended 31.03.2022
Other manufacturing expenses		
Stores and spares consumed	302.40	221.33
Power and fuel	1,297.34	902.28
Factory expenses	316.09	221.52
Repair & maintenance		
Building	105.18	52.63
Machinery	377.20	413.26
Others	253.29	156.50
Administrative and other expenses		
Rent	20.99	11.78
Rates & taxes	29.76	10.02
Listing expenses	5.60	2.50
Postage & telephone expenses	39.56	40.31
Printing & stationery	60.69	78.32
Traveling & conveyance expenses	659.23	480.50
Office electricity & water	10.20	6.87
Insurance charges	192.56	185.06
Factory security	133.34	130.47
Foreign exchange loss	59.81	-
Foreign exchange hedging loss	-	2.26
Legal & professional charges	370.04	462.74
Motor car expenses	25.42	25.46
Bank charges	26.78	44.30
Fees & subscription	42.23	30.99
Corporate social responsibility expenses (refer note 52)	60.94	59.00
Directors sitting fees	20.80	19.20
Payment to collaborators / royalty	299.21	278.28
Charity & donation	0.40	-
Miscellaneous expenses	121.50	110.82
Auditors' remuneration		
As audit fees	8.45	8.45
For tax audit, certification & tax representations	3.51	7.06
Selling & distribution expenses		
Freight & forwarding expenses	1,804.98	1,335.71
Advertisement, publicity & sales promotion	40.75	35.38
Total	**6,688.26**	**5,333.00**

Notes to Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

33. 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, 2023	Actuarial gains / losses on defined benefit employee obligations	Total
Remeasurement gains / (losses) on defined benefit plans	(20.03)	(20.03)
Income tax effect	5.04	5.04
Total	**(14.99)**	**(14.99)**

During the year ended 31st March, 2022	Actuarial gains / losses on defined benefit employee obligations	Total
Remeasurement gains / (losses) on defined benefit plans	(15.47)	(15.47)
Income tax effect	3.89	3.89
Total	**(11.58)**	**(11.58)**

34. 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 31.03.2023	Year ended 31.03.2022
Profit attributable to equity holders of the Company for basic earnings for the year	681.02	458.82
Profit attributable to equity holders of the Company for basic earnings for the year	**681.02**	**458.82**
	No. of Shares	
Weighted average number of equity shares in calculating basic earnings per share	14,000,000	14,000,000
Weighted average number of equity shares in calculating diluted earnings per share (refer note below)	**14,084,797**	**14,000,000**
Earnings per equity share		
Basic (in ₹)	4.86	3.28
Diluted (in ₹)	4.84	3.28
Note: Weighted average number of equity shares used as denominator		
	No. of Shares	
Weighted average number of equity shares used as denominator in calculating basic earnings per shares	14,000,000	14,000,000
Adjustments for calculation of diluted earnings per share:		
Oustanding employee stock options (For details relating to stock options, refer note 36)	84,797	-
Weighted average number of equity shares and potential equity shares used as denominator in calculating diluted earnings per share	14,084,797	14,000,000
Face value of each equity share (in ₹)	**10**	**10**
Weighted average number of equity shares in calculating diluted EPS	14,084,797	14,000,000

Notes to Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

35. 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 ₹ 265.04 lakhs (31st March, 2022: ₹ 257.13 lakhs).

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:	31.03.2023	31.03.2022
Defined benefit obligation at the beginning of the year	883.33	832.04
Current service cost	77.82	73.50
Past service cost	-	-
Interest cost	63.42	56.58
Benefits paid	(70.23)	(104.16)
Actuarial (gain) / loss on obligations-OCI	17.47	25.37
Defined benefit obligation at the end of the year	**971.81**	**883.33**

Changes in the fair value of plan assets are as follows:	31.03.2023	31.03.2022
Fair value of plan assets at the beginning of the year	329.19	160.29
Contribution by employer	166.00	159.00
Benefits paid	(19.29)	-
Expected interest income on plan assets	-	-
Actual gain / (loss) on plan asset	**16.73**	**9.90**
Fair value of plan assets at the end of the year	**492.63**	**329.19**

Reconciliation of fair value of plan assets and defined benefit obligation	31.03.2023	31.03.2022
Fair value of plan assets	492.63	329.19
Defined benefit obligation	971.81	883.33
Amount recognised in the balance sheet	**479.18**	**554.14**

Amount recognised in statement of profit and loss	31.03.2023	31.03.2022
Current service cost	77.82	73.50
Net interest expense	39.79	45.68
Past service cost	-	-
Amount recognised in statement of profit and loss	**117.61**	**119.18**

Notes to Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

Amount recognised in other comprehensive income	**31.03.2023**	**31.03.2022**
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	(16.73)	(11.09)
Remeasurement return on plan assets excluding amount included in interest income	-	-
Actuarial (gain) / loss arising from experience adjustments	34.20	36.46
Amount recognised in other comprehensive income	**17.47**	**25.37**

The principal assumptions used in determining gratuity liability for the Company's plans are shown below:

	31.03.2023	**31.03.2022**
Discount rate	7.36%	7.18%
Expected rate of return on plan assets	7.36%	7.18%
Future salary increases	5.25%	5.25%
Attrition rate (up to 30 years)	3.00%	3.00%
Attrition rate (from 31 to 44 years)	2.00%	2.00%
Attrition rate (above 44 years)	1.00%	1.00%
Retirement age	58 years	58 years

A quantitative sensitivity analysis for significant assumption as at 31st March, 2023 and 31st March, 2022 is as shown below:

Gratuity plan	**Sensitivity level**		**Impact on defined benefit obligation**	
	31.03.2023	**31.03.2022**	**31.03.2023**	**31.03.2022**
Assumptions				
Discount rate	+0.50%	+0.50%	(44.65)	(41.51)
	-0.50%	-0.50%	48.02	44.73
Future salary increases	+0.50%	+0.50%	48.12	44.89
	-0.50%	-0.50%	(45.28)	(41.99)

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 ₹ 127.30 lakhs (31st March, 2022: ₹ 123.96 lakhs).

The expected maturity analysis of undiscounted gratuity is as follows:	**31.03.2023**	**31.03.2022**
Within the next 12 months (next annual reporting period)	74.07	66.68
Between 1 to 2 years	20.36	42.47
Between 2 to 3 years	39.94	23.69
Between 3 to 4 years	53.23	35.32
Between 4 to 5 years	40.58	44.34
Between 5 to 6 years	46.88	36.39
Over 6 years	696.75	634.44
Total expected payments	**971.81**	**883.33**

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 16.42 years (31st March, 2022: 16.44 years)

Notes to Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

36. Employee Share-based Payments

Refer Note 2.2 k for accounting policy on Employee Share-based Payments.

The Company has formulated employee share-based payment schemes with the objective to reward the employees for their association and performance, to motivate them to contribute to the growth and profitability of the Company, to create a variable pay structure for the different employees, incentivize them in line with Company's performance, to retain and motivate senior and critical human resources, to promote loyalty to the Company and to achieve sustained growth and create shareholder's value by aligning the interests of the employees with the long-term interests of the Company

The shareholders of the Company by way of special resolution dated 16th September, 2022 approved the Plan authorizing the Committee to Grant not exceeding 7,00,000 Options to the eligible Employees in one or more tranches, from time to time, which in aggregate shall be exercisable into not more than 7,00,000 Shares of face value of ₹ 10 each fully paid up (which is 5% of the paid up capital of the Company as on date), with each such Option conferring a right upon the Employees to apply for one Share in the Company in accordance with the terms and conditions as may be decided under the Plan.

The maximum number of Options that may be granted per Employee and in aggregate shall be decided by the Committee depending upon the designation and the appraisal/ assessment process. However, the Grant of Options to identified Employees, shall not, at any time exceed the total Option pool size approved by the shareholders for ESOP 2022.

This Employee Stock Option Plan is called 'PPAP Employee Stock Option Plan 2022' ("ESOP 2022"/ "Plan") : The ESOP 2022 is established with effect from date of shareholders' approval i.e. 16th September, 2022 on which the shareholders of the Company have approved it and shall continue to be in force until (i) its termination by the Board/ Committee as per provisions of Applicable Laws, or (ii) the date on which all of the Options available for issuance under the ESOP 2022 have been issued and exercised, whichever is earlier.

The fair value at grant date of stock options granted during the year ended 31/03/2022 was ₹ 196.60 . The fair valuation has been carried out by an independent valuer by applying Black and Scholes Model. The inputs to the model include the exercise price, the term of option, the share price at grant date and the expected volatility, expected dividends and the risk free rate of interest for terms of options. The details of options granted, the key assumptions for Fair Value on the date of grant are as under:

Particulars	**ESOP 2022**
Grant Date	12.11.2022
Vesting period	18 months
Share price on grant date (₹)	205.50
Risk free interest rate (zero-coupon government issues of the country with a remaining term equal to the expected term of the option)	7.51%
Dividend Yield	0.73%
Expected Volatility (Standard Deviation) The measure of volatility used in the Black Scholes options Pricing models is the annualised standard deviation of the continuously compounded rates of return on the company's share over life of the options	42.05%
Fair Value of option on grant date	196.60
Average time to maturity of option	1.75
Exercise Price	10
Options outstanding at beginning of the year	-
Options granted during the year	89,288
Options forfeited/ lapsed during the year	-
Options vested during the year	-
Options exercised during the year	-
Options expired during the year	-
Options outstanding at year end	89,288
Options vested and exercisable at year end	-
Vesting conditions	As per policy approved by shareholders

Notes to Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

37. 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 ₹ 20.99 lakhs (31st March, 2022: ₹ 11.78 lakhs). The future minimum lease payments under non-cancellable operating leases are as follows:

	As at 31.03.2023	As at 31.03.2022
Not later than one year	10.78	6.93
Later than one year and not later than five years	-	-
Later than five years	-	-
	10.78	6.93

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 ₹ 68.25 lakhs (31st March, 2022: ₹ 52.06 lakhs). The future minimum lease payments under non-cancellable operating leases are as follows:

	As at 31.03.2023	As at 31.03.2022
Not later than one year	68.25	48.31
Later than one year and not later than five years	-	-
Later than five years	-	-
	68.25	48.31

38. Commitments

(i) Retention charges and capital commitments (net of advances) are ₹ 473.64 lakhs (31st March, 2022: ₹ 417.34 lakhs)

Notes to Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

39. Contingent liabilities	As at 31.03.2023	As at 31.03.2022
Contingent liabilities not provided for in respect of		
Letters of guarantees	1,593.94	2,832.00
Letters of credit	-	171.30
Income tax appeal		
For assessment year 2017-18	41.37	41.37
GST appeals (includes excise and sales tax demands)	73.27	114.10
Show Cause Notice for short payment of excise duty	18.95	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
Total	1,727.53	3,672.39

Notes:

(i) A demand of ₹ 41.37 lakhs has been raised for the assessment year 2017-18 for disallowance of 25% of royalty expense.The company has filed an appeal before Hon'ble CIT(Appeals) against the order of disallowance of the royalty amount.

(ii) The Central sales tax assessment for the assessment year 2004-05 was completed and a balance demand of ₹ 0.45 lakhs 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) The Joint commissioner, Commercial Tax,Noida has demanded CST of ₹5.24 lakhs on stock transfers of iron and steel for job work got done during the A.Y. 2011-12. We have filed an appeal before the Additional Commissioner (Appeals) against the said demand. The Additional Commissioner (Appeals) has granted stay of 50% of the said demand. We have filed an appeal against the order of Additional Commissioner (Appeals) before Commercial Tax, Tribunal (Noida, U.P.). The Tribunal has set aside the demand and passed the order on 17th February, 2023 in favour of the Company and directed the Dept. to refund the deposited amount.

(iv) The Joint Commissioner,Commercial Tax, Noida has demanded ₹31.16 lakhs towards shortfall of Form 'C ' and ₹4.43 lakhs towards CST on stock transfers of iron and steel for job work got done for the A.Y. 2012-13. We filed an appeal before the Additional Commissioner (Appeals), against the said demand. The Additional Commissioner (Appeals) granted stay of 50% of the total demand. We have filed an appeal against the order of Additional Commissioner (Appeals) before Commercial Tax Tribunal, Noida, U.P..The Tribunal has set aside the demand and passed the order on 29th March, 2023 in favour of the Company and directed the Dept. to refund the deposited amount.

(v) Demand of excise duty of ₹ 1.06 lakhs along with penalty of ₹ 1.06 lakhs 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.

(vi) Demand of excise duty of ₹ 35.36 lakhs along with penalty of ₹ 35.36 lakhs 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.

(vii) 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 lakhs for the period F.Y. 2013-14 to 30.06.2019 on the value of design / drawings / specifications supplied by Maruti Suzuki India Limited on FOC basis to the Company. ₹384.57 lakhs relates to B-45, B-206A and B-4, Kasna, Uttar Pradesh Plants and ₹25.47 lakhs relates to Pathredi plant. However, the jurisdiction of the case has been transferred from Gurugram, Haryana to the Additional Director General (Adjudiaction) DGGSTI, New Delhi on 26.07.2019.The Company has disputed the matter and filed the reply with the Additional Director General (Adjudication) of Goods & Service Tax Intelligence, New Delhi on 26.02.2021 to quash the notice. Being considered the reply, the Additional Director General (Adjudication), New Delhi has passed an order no.48-67/2022-CE dated 29-07-2022 and dropped the demand of ₹366.72 Lakhs for our B-45, B-206A & B-4, Kasna, U.P. Plants and also dropped the demand of ₹24.37 lakhs for our Pathredi Plant. Further, the Company has challenged the remaining demand of ₹17.85 lakhs for our U.P. Plants and ₹1.10 lakhs for our Pathredi Plant and filed an appeal before the Central Excise and Service Tax Appellate Tribunal (CESTAT), R K Puram, New Delhi on 15th November, 2022. The matter is pending in CESTAT, New Delhi.

(viii) RIICO has raised a demand of ₹103.57 lakhs towards additional cost of land due to delay in commencement of production activities at its plant at Pathredi. The Company had disputed the matter with RIICO. This demand has been settled availing the amnesty scheme of RIICO.

Notes to Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

40. 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	Mr. Bhuwan Kumar Chaturvedi, Independent Director
	4	Mr. Pravin Kumar Gupta, Independent Director
	5	Mrs. Celine George, Independent Director
	6	Mrs. Vinay Kumari Jain, Non-Executive Director
	7	Mr. Deepak Kumar Sethi, Independent Director (w.e.f 04.02.2023)
	8	Mr. Sachin Jain, Chief Financial Officer (w.e.f 10.05.2021)
	9	Mrs. Sonia Bhandari, Company Secretary (upto 18.09.2021)
	10	Mrs Shivani Sehgal, Company Secretary (w.e.f 12.11.21 to 25.04.2022)
	11	Ms. Pankhuri Agarwal, Company Secretary (w.e.f 13.05.2022)
(c) Related Parties in the group where common control exists	1.	Vinay and Ajay Jain Foundation
(d) Wholly owned subsidiaries	1.	Elpis Components Distributors Private Limited
	2.	PPAP Technology Limited
(e) Other Related Party-Post employment benefit plan of the Company	1.	PPAP Automotive Limited Employees Group Gratuity Fund Trust

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	Wholly Owned Subsidiaries	Other Related Party-Post employment benefit plan of the Company	Total
CSR expenses paid						
Vinay and Ajay Jain Foundation	31.03.2023	60.94	-	-	-	60.94
	31.03.2022	59.00	-	-	-	59.00
Material / licence purchases						
PPAP Technology Limited	31.03.2023	-	-	1.56	-	1.56
	31.03.2022	-	-	0.52	-	0.52
Elpis Components Distributors Private Limited	31.03.2023	-	-	7.59	-	7.59
	31.03.2022	-	-	-	-	-
PPAP Tokai India Rubber Private Limited	31.03.2023	-	563.99		-	563.99
	31.03.2022	-	621.23		-	621.23
Investment in equity shares						
PPAP Technology Limited	31.03.2023	-	-	-	-	-
	31.03.2022	-	-	749.93	-	749.93
Loan given						
PPAP Technology Limited	31.03.2023	-	-	2,414.35	-	2,414.35
	31.03.2022	-	-	3,255.67	-	3,255.67
Loan repayment received						
PPAP Technology Limited	31.03.2023	-	-	1,853.95	-	1,853.95
	31.03.2022	-	-	2,505.69	-	2,505.69
Receipts for other services*						
PPAP Tokai India Rubber Private Limited	31.03.2023	-	120.77	-	-	120.77
	31.03.2022	-	116.94	-	-	116.94
Elpis Components Distributors Private Limited	31.03.2023	-	-	9.00	-	9.00
	31.03.2022	-	-	35.11	-	35.11
PPAP Technology Limited	31.03.2023	-	-	226.20	-	226.20
	31.03.2022	-	-	13.20	-	13.20
Sales						
PPAP Tokai India Rubber Private Limited	31.03.2023	-	172.06		-	172.06
	31.03.2022	-	113.40	-	-	113.40
Elpis Components Distributors Private Limited	31.03.2023	-	-	1,123.73	-	1,123.73
	31.03.2022	-	-	720.17	-	720.17
Contribution to fund: Employer's contribution towards gratuity fund						
PPAP Automotive Limited Employees Group Gratuity Fund Trust	31.03.2023	-	-	-	166.00	166.00
	31.03.2022	-	-	-	159.00	159.00

*Other services include management support fee, reimbursement of expenses, job work charges, interest received on loan given and rental income.

Notes to Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

Net outstanding balance:

Related Party	Period	Related Parties where common control exists	Joint Ventures	Wholly Owned Subsidiaries	Other Related Party- Post employment benefit plan of the Company	Total
Trade receivable						
PPAP Tokai India Rubber Private Limited	31.03.2023	-	67.32		-	67.32
	31.03.2022	-	-	-	-	-
Elpis Components Distributors Private Limited	31.03.2023	-	-	177.51	-	177.51
	31.03.2022	-	-	259.07	-	259.07
PPAP Technology Limited	31.03.2023	-	-	16.84	-	16.84
	31.03.2022	-	-	-	-	-
Trade payable						
PPAP Tokai India Rubber Private Limited	31.03.2023	-	-	-	-	-
	31.03.2022	-	72.19	-	-	72.19
Security Deposit Received						
Elpis Components Distributors Private Limited	31.03.2023	-	-	2.93	-	2.93
	31.03.2022	-	-	2.93	-	2.93
PPAP Technology Limited	31.03.2023	-	-	1.10	-	1.10
	31.03.2022	-	-	1.10	-	1.10
Loan given						
PPAP Technology Limited	31.03.2023	-	-	1,472.65	-	1,472.65
	31.03.2022	-	-	750.51	-	750.51
Contribution to fund: Employer's contribution towards gratuity fund						
PPAP Automotive Limited Employees Group Gratuity Fund Trust	31.03.2023	-	-	-	465.71	465.71
	31.03.2022	-	-	-	319.00	319.00

Details relating to remuneration of KMP & their relatives

Name of KMP	31.03.2023		31.03.2022	
	Short-term employee benefits	Sitting fees	Short-term employee benefits	Sitting fees
Mr. Ajay Kumar Jain	120.57	-	120.57	-
Mr. Abhishek Jain	74.77	-	127.77	-
Mrs. Vinay Kumari Jain		3.20	-	4.80

Details relating to remuneration of KMP other than MD / Manager / Whole Time Director

Name of KMP	31.03.2023		31.03.2022	
	Short-term employee benefits	Sitting fees	Short-term employee benefits	Sitting fees
Mr. Bhuwan Kumar Chaturvedi	-	6.40	-	6.00
Mr. Pravin Kumar Gupta	-	6.00	-	6.00
Mrs. Celine George	-	4.00	-	2.40
Mr. Deepak Kumar Sethi	-	1.20	-	-

Notes to Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

41. 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.

42. 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	31.03.2023	31.03.2022
(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	1,022.79	641.97
	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.	-	-

Notes to Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

43. Fair values measurements

(i) Financial instruments by category

Particulars	**31.03.2023**		**31.03.2022**	
	FVTPL	**Amortized cost**	**FVTPL**	**Amortized cost**
Financial assets				
Investments*				
- in equity instruments	-	-	-	-
- in mutual funds	445.48	-	269.74	-
- in unquoted preference shares	200.00	-	-	-
Other financial assets	-	1,905.13	-	1,298.90
Trade receivables	-	6,191.14	-	5,215.54
Cash and cash equivalents	-	41.32	-	23.06
Other balances with banks	-	11.38	-	13.22
Loans	-	1,480.91	-	750.51
Foreign exchange forward contracts	6.71	-	3.44	-
Total financial assets	**6.71**	**9,629.88**	**273.18**	**7,301.23**
Financial liabilities				
Borrowings (non current)	-	6,718.69	-	7,237.05
Borrowings (current)	-	5,529.56	-	1,937.22
Lease Liabilities	-	87.65	-	113.82
Trade payables	-	6,217.35	-	4,686.26
Other financial liabilities (non current)	-	19.28	-	22.41
Other financial liabilities (current)	-	555.31	-	580.11
Total financial liabilities	**-**	**19,127.84**	**-**	**14,576.87**

*Investment value excludes investment in joint venture of ₹ 4,853 lakhs (31st March, 2022: ₹ 4,853 lakhs) and investment in wholly owned subsidiary companies of ₹1429.92 lakhs (31st March, 2022 ₹1,429.92 lakhs) which are shown at cost in balance sheet as per Ind AS 27 ‘ Separate Financial Statements’.

i) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair value

ii) The fair values of the Company’s interest-bearing borrowings are determined by using effective interest rate (EIR) method using discount rate that reflects the issuer’s borrowing rate as at the end of the reporting period. The own non-performance risk as at 31st March, 2023 was assessed to be insignificant.

iii) Long-term receivables/payables are evaluated by the Company based on parameters such as interest rates, risk factors, individual creditworthiness of the counterparty and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

iv) The fair value of security deposit has been estimated using DCF model which consider certain assumptions viz. forecast cash flows, discount rate, credit risk and volatility.

v) The fair values of the investment in mutual fund has been determined based on net assets value (NAV) available in open market.

vi) The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

vii) Cost of unquoted preference shares has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. These investments in preference shares are not held for trading. Instead, they are held for medium or long-term strategic purpose.

Notes to Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

(ii) Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised 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: The fair value of financial instruments traded in active markets.This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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.

There have been no transfers between Level 1 and Level 2 during the financial year 2021-22 and 2022-23.

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, 2023

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Investments in mutual funds	31.03.2023	445.48	445.48	-	-
Unquoted investments in preference shares measured at fair value through profit and loss	31.03.2023	200.00	-	-	200.00
Foreign currency forward contracts	31.03.2023	6.71	-	6.71	-
Financial liabilities					
Foreign currency forward contracts	31.03.2023	-	-	-	-

(₹ in lacs)

Financial assets and liabilities measured at fair value - recurring fair value measurements for which fair values are disclosed at 31st March, 2022

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Investments in mutual funds	31.03.2022	269.74	269.74	-	-
Unquoted investments in preference shares measured at fair value through profit and loss	31.03.2022	-	-	-	-
Foreign currency forward contracts	31.03.2022	3.44	-	3.44	-
Financial liabilities					
Foreign currency forward contracts	31.03.2022	-	-	-	-

Notes to Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

44. 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, 2023 and 31st March, 2022.

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, 2023 and 31st March, 2022.

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	Effect on profit before tax
31.03.2023		
INR	+50	(50.68)
INR	-50	50.68
31.03.2022		
INR	+50	(47.28)
INR	-50	47.28

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.

Notes to Financial Statements

for the year ended 31st March, 2023

(₹ 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	Effect on profit before tax
31.03.2023	+5%	(18.02)
	-5%	18.02
31.03.2022	+5%	(1.59)
	-5%	1.59
	Change in JPY rate	**Effect on profit before tax**
31.03.2023	+5%	(8.09)
	(5%)	8.09
31.03.2022	+5%	(1.06)
	(5%)	1.06
	Change in EURO rate	**Effect on profit before tax**
31.03.2023	+5%	(0.37)
	(5%)	0.37
31.03.2022	+5%	(0.01)
	(5%)	0.01

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 11.

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 43. 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.

Notes to Financial Statements

for the year ended 31st March, 2023

(₹ 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.

Particulars	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31.03.2023					
Borrowings	335.68	2,369.55	6,313.28	109.49	9,128.00
Lease liabilities	9.64	49.59	34.45	-	93.69
Trade payables	6,210.64	-	-	-	6,210.64
Other financial liabilities	511.13	44.18	19.28	-	574.59
Total	**7,067.10**	**2,463.32**	**6,367.01**	**109.49**	**16,006.92**
Year ended 31.03.2022					
Borrowings	185.36	2,106.90	6,668.14	109.49	9,069.89
Lease liabilities	11.24	35.92	66.66	-	113.82
Trade payables	4,419.34	234.17	29.32	-	4,682.82
Other financial liabilities	535.90	44.21	22.41	-	602.52
Total	**5,151.84**	**2,421.20**	**6,786.52**	**109.49**	**14,469.05**

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.

45. 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, 2023.

	31.03.2023	31.03.2022
Borrowings (non current)	6,718.69	7,237.05
Borrowings (current)	5,529.56	1,937.22
Lease liabilities	87.65	113.82
Trade payables	6,217.35	4,686.26
Other financial liabilities (current)	555.31	580.11
Total debts	**19,108.56**	**14,554.46**
Less: Cash and cash equivalents	41.32	23.06
Net debts	**19,067.24**	**14,531.40**
Total equity	**31,649.10**	**31,284.31**
Total debt and equity	**50,716.34**	**45,815.71**
Gearing ratio (%)	**37.68%**	**31.77%**

Notes to Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

Additional Regulatory Information: Financial Ratios

Ratio	Numerator	Denominator	31.03.2023	31.03.2022	% change	Reason where variance exceeds 25%
Current ratio (in times)	Current Assets	Current Liabilities	1.06	1.32	-25%	-
Debt- Equity Ratio (in times)	Total Debt	Shareholder's Equity	0.39	0.29	24%	-
Debt Service Coverage ratio (in times)	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	1.94	3.02	-56%	Repayment liabilities towards additional borrowings
Return on Equity ratio (in %)	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	2.2%	1.5%	31%	Improved profitability
Inventory Turnover ratio (in times)	Cost of goods sold or sale	Average Inventory	9.75	9.66	1%	-
Trade Receivable Turnover Ratio (in times)	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	8.63	7.18	17%	-
Trade Payable Turnover Ratio (in times)	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	5.52	5.22	5%	-
Net Capital Turnover Ratio (in times)	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	57.78	14.00	76%	Improved sales and reduction in working capital
Net Profit ratio (in %)	Net Profit	Net sales = Total sales - sales return	1.4%	1.1%	20%	-
Return on Capital Employed (in %)	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	4.4%	3.0%	32%	Improved sales and profitability
Return on Investment* (in %)	"Income generated from investments"	"Time weighted average investments"	3.13%	1.59%	49%	Higher appreciation in investments

*** Non current investments held by the Company is for strategic purposes. Benchmarking the return on annual basis will not reflect yield from such investments.**

46. 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:

	31.03.2023 Foreign currency	31.03.2023 Amount	31.03.2022 Foreign currency	31.03.2022 Amount
Foreign trade payables				
USD in lacs	4.41	360.42	0.42	31.85
JPY in lacs	259.92	161.88	32.30	21.26
EURO in lacs	0.17	7.42	-	-
Foreign trade receivables				
USD in lacs	-	-	-	-
JPY in lacs	-	-	-	-
EURO in lacs	-	-	-	-

Notes to Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

47. 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.

48. 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.

49. Disclosure of movement in provisions during the year as per Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets':

Particulars	Balance as on 1st April, 2022	Provided during the year	Paid / Adjusted during the year	Balance as on 31st March, 2023
Provisions				
Gratuity	883.33	158.71	(70.23)	971.81
Accumulated leaves	157.10	78.10	(56.10)	179.09
Income Tax	109.16	93.17	(109.16)	93.17
Total	**1,149.58**	**329.98**	**(235.50)**	**1,244.07**

50. Dividends paid and proposed

	Particulars	Year Ended 31.03.2023	Year ended 31.03.2022
A	**Paid during the year**		
	Interim dividend for FY 2022-23 ₹ 1 per share (FY 2021-22: ₹ nil per equity share) of ₹10/- each	140.00	-
	Final dividend for FY 2021-22: ₹1.50 per share (FY 2020- 21 ₹ 1.00 per share)	210.00	140.00
		350.00	**140.00**
B	**Proposed for approval at the annual general meeting (not recognised as a liability)**		
	Final dividend for FY 2022-23 ₹0.50 per share (FY 2021-22: ₹ 1.50 per share)	70.00	210.00

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognized as a liability as at year end.

51. Disclosure under Ind AS 7 'Statement of Cash Flows'

Ind AS 7 requires 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.

	31.03.2022	Cash flows	Non-cash changes Fair value changes	31.03.2023
Long-term borrowings	7,978.49	367.78	133.50	8,479.77
Short term borrowings	386.40	2,882.37	-	3,268.77
Lease Liabilities	113.82	(52.50)	26.33	87.65
Total liabilities from financing activities	**8,478.71**	**3,197.65**	**159.83**	**11,836.19**

Notes to Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

52. **Details of Corporate Social Responsibility (CSR) expenditure**	**31.03.2023**	**31.03.2022**
CSR obligation as per the provisions of Companies Act, 2013	23.68	51.77
Amount available for set off	(7.23)	-
a) Gross amount required to be spent during the year	16.45	51.77
b) Amount spent during the year ending on 31 March 2023:		
(i) Construction / acquisition of an asset	-	-
(ii) On purpose other than (i) above	60.94	59.00
Amount spent through related parties out of (i) or (ii) above:		
- Vinay and Ajay Jain Foundation (a related Parties in the group where common control exists)	60.94	59.00
Vinay and Ajay Jain Foundation is engaged in following activities:		
i) Providing healthcare and meal to unprivileged and downtrodden children which help them to pursue their education.	5.00	-
ii) Making payment of school fees of unprivileged children.	10.23	9.56
iii) Providing study material to unprivileged children.	-	2.74
iv) Plantation for promoting environmental sustainability.	45.50	46.55
v) Administrative Expenses	0.21	0.15
Total	**60.94**	**59.00**
c) Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	N/A	N/A
d) Unspent CSR Account		
i) Opening Balance	-	-
ii) Contribution for current year	-	-
iii) Amount spent on ongoing projects during the year	-	-
iv) Closing balance to be spent in future years	-	-
e) Amount transferred to any fund specified under Schedule VII as per Section 135(5)	nil	nil

During the year under review the company has spent ₹ 44.49 lakhs (31st March, 2022: ₹ 7.23 lakhs) in excess of the amount required to be spent. The excess amount shall be carried forward against the requirement to spend up to immediate succeeding three financial years.

53. Details of transactions with Struck-off Companies	-	-
54. Details of Benami Property	-	-
55. Title deeds of Immovable Properties not held in name of the Company	-	-

56. Critical judgements, estimates and assumptions

1. **Impairment of property, plant and equipment**

   The Company assesses the carrying amount of property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. Where the carrying amount exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An impairment loss (if any) is recognised in the statement of profit and loss.

   While assessing the recoverable amount, the Company used the discounted cash flow approach including various significant estimates and assumptions such as forecast of future revenue, operating margins, growth rate and selection of the discount rates.

2. **Loss Allowance on trade receivables**

   An impairment analysis of trade receivables is performed at each reporting period based on the Company's history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates. Basis this assessment, the allowance for doubtful trade receivables as at March 31, 2023 is considered adequate.

Notes to Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

57. Additional disclosure / Regulatory Information as required by Notification no. GSR 207(E) dated 24.03.2021 which are not covered in any of the notes above

(i) No proceedings have been initiated or pending against the company for holding any benami property under benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(ii) Reconciliation of quarterly statement of current assets filed with banks or financial statements

There are no material variations between the quarterly statement of current assets filed during the year with the banks and the books of accounts.

(iii) Wilful Defaulter

No bank has declared the company as "wilful defaulter".

(iv) Registration of charges or satisfaction with Registrar of Companies:

All applicable cases where registration of charges or satisfaction is required with Registrar of Companies have been done. No registration or satisfaction is pending at end of financial year 2022-2023.

(v) Registration of charges or satisfaction with Registrar of Companies:

No scheme of arrangements has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.

(vi) Utilisation of Borrowed funds and share premium:

Particulars	**Description**
No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;	No such transaction has taken place during the year
No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries	No such transaction has taken place during the year

(vii) Undisclosed income

There is no such income which has not been disclosed in the books of accounts. No such income is surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961.

(viii) Details of Crypto Currency or Virtual Currency

The Company does not deal in Crypto Currency. Therefore further disclosures are not given

In terms of our report of even date annexed
For O P Bagla & Co LLP
Chartered Accountants
FRN No. 000018N / N500091

Sanjeev Agarwal
Partner
Membership No: 408316

Place: Noida
Date: 19th May, 2023

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

Sachin Jain
Chief Financial Officer

Pankhuri Agarwal
Company Secretary

Place: Noida
Date: 19th May, 2023

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PPAP AUTOMOTIVE LIMITED

Report on the audit of the Consolidated financial statements

Opinion

We have audited the consolidated financial statements of **PPAP Automotive Limited** ("the Company"), its subsidiary companies and joint venture company (collectively referred to as "the Group") which comprise the consolidated balance sheet as at 31st March, 2023, and the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

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 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 their consolidated state of affairs of the Company as at 31st March , 2023, the consolidated loss, total consolidated comprehensive loss, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

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 Auditor's 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 together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

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 judgement 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 amount 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(i) 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, 2023 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 consolidated 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 auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 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 such other information as and when made available to us and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

Management's Responsibility for the consolidated financial statements

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

In preparing 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 subsidiaries, 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 the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

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 auditor's 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 skepticism throughout the audit. We also:

- 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 auditor's 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 auditor's report. However, future events or conditions may cause the Group and its associates and joint venture to cease to continue as a going concern.

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group 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.

Materiality is the magnitude of misstatements in the interim condensed consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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 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. In terms of clause (xxi) of para 3 of The Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms Section 143(11) of the Act, we report that no qualifications or adverse remarks have been made in the respective CARO reports of subsidiaries and Joint Venture Company whose financials have been consolidated in these financial statements.
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 by the Group so far as it appears from our examination of those books.
    (c) The consolidated balance sheet, the consolidated statement of profit and loss including the consolidated Statement of other comprehensive income, the consolidated cash flow statement and consolidated Statement of changes in equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
    (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
    (e) On the basis of the written representations received from the Directors of the Company, its subsidiary companies and joint venture company and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2023 from being appointed as a Director in terms of Section 164(2) of the Act.
    (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure I".
    (g) The Company has paid excess managerial remuneration of ₹ 64.97 lakhs to Mr. Ajay Kumar Jain, Chairman & Managing director of the Company during the financial year 2023, exceeding the limits specified under section 197 of the Act read with Schedule V thereto on account of inadequacy of profits computed under Section 198 of the Act. However, the remuneration paid during the financial year 2023 was within the limits approved by the shareholder. The Company has represented to us that pursuant to section 197(10) of the Companies Act, 2013, it is in the process of seeking approval of shareholders and the said excess remuneration paid is held in trust for the Company by Mr. Ajay Kumar Jain till the necessary compliance is made. Other remuneration paid is within the limits specified in section 197 of the Act.
    (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
        i. The Group has disclosed the impact of pending litigations on its financial position in its Consolidated financial statements.
        ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
        iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the holding Company or its subsidiary companies incorporated in India to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the holding Company or its subsidiary companies incorporated in India or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
            (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the holding Company or its subsidiary companies incorporated in India from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the holding Company or its subsidiary companies incorporated in India shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
            (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
        (v) The dividend declared or paid during the year by the Holding Company is in compliance with the Section 123 of the Act.
3. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company or any of its subsidiary companies or joint venture company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

Place: Noida
Date: 19th May, 2023

Sanjeev Agarwal
Partner
M No.408316
UDIN: 23408316BGVOM67233

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)

We have audited the internal financial controls over financial reporting of PPAP Automotive Limited ("the Company"), its subsidiary companies and joint venture company (collectively referred to as "the Group"), which are companies incorporated in India as of 31st March 2023 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's responsibility for Internal Financial Controls

The respective Board of Directors of the Company and its joint venture and subsidiary 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. 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 with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls over Financial Reporting with reference to these financial statements

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 joint venture and subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on "Audit of Internal Financial Controls over Financial Reporting" issued by the Institute of Chartered Accountants of India.

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

Place: Noida
Date: 19th May, 2023

Sanjeev Agarwal
Partner
M No.408316
UDIN: 23408316BGVOM67233

CONSOLIDATED BALANCE SHEET

AS AT 31st MARCH, 2023

(₹ in lacs)

Particulars	Notes	As at 31.03.2023	As at 31.03.2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	30,967.06	27,387.72
Capital work-in-progress	3a	901.27	2,078.66
Right of use assets	4	87.46	159.24
Other intangible assets	5	825.32	883.19
Intangible assets under development	5a	174.07	68.73
Financial assets			
a. Investments	6	3,732.58	4,293.71
b. Other financial assets	7	461.66	514.56
Other non-current assets	8	1,021.46	1,031.14
		38,170.88	**36,416.95**
Current assets			
Inventories	9	7,612.51	5,605.85
Financial assets			
a. Investments	6	445.48	269.74
b. Trade receivables	10	6,511.00	5,586.22
c. Cash and cash equivalents	11	82.60	44.01
d. Other balances with banks	12	11.38	13.22
e. Loans	13	8.37	0.52
f. Other financial assets	7	207.18	175.39
Current tax assets (net)	14	113.82	123.78
Other current assets	15	1,636.15	1,716.99
		16,628.49	**13,535.72**
Total Assets		**54,799.37**	**49,952.67**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	1,400.00	1,400.00
Other equity	17	28,074.79	28,988.35
		29,474.79	**30,388.35**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	18	7,992.02	7,888.92
Lease liabilities	4	33.19	85.30
Other financial liabilities	19	0.01	7.77
Provisions	20	597.89	638.89
Deferred tax liabilities (net)	21	508.87	595.29
Current liabilities			
Financial liabilities			
Borrowings	18	7,086.34	2,919.49
Lease liabilities	4	57.81	75.86
Trade payables	22		
- total outstanding dues of micro enterprises and small enterprises		1,048.94	917.30
- total outstanding dues of creditors other than micro enterprises and small enterprises		5,276.57	3,940.75
Other financial liabilities	19	636.63	641.28
Other current liabilities	23	1,983.02	1,768.06
Provisions	20	103.29	85.41
Total Liabilities		**25,324.58**	**19,564.31**
Total Equity and Liabilities		**54,799.37**	**49,952.66**

Significant accounting policies 2

The accompanying Notes 1 to 56 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
FRN No. 000018N / N500091

Sanjeev Agarwal
Partner
Membership No: 408316

Place: Noida
Date: 19th May, 2023

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

Sachin Jain
Chief Financial Officer

Pankhuri Agarwal
Company Secretary

Place: Noida
Date: 19th May, 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31st MARCH, 2023

(₹ in lacs)

Particulars	Notes	Year ended 31.03.2023	Year ended 31.03.2022
INCOME			
Revenue from operations	24	51,111.22	42,191.73
Other income	25	141.07	99.78
Total Income (I)		**51,252.29**	**42,291.51**
Expenses			
Cost of materials consumed	26	33,342.06	25,392.59
Changes in inventories of finished goods and work-in-progress	27	(1,981.11)	191.85
Employee benefits expense	28	8,290.59	7,223.81
Finance costs	29	1,173.12	650.53
Depreciation and amortization expense	30	3,112.19	2,946.85
Other expenses	31	7,064.80	5,523.66
Total Expenses (II)		**51,001.65**	**41,929.28**
Profit / (loss) before share of (profit) / loss of associates and a joint venture and tax from continuing operations (I-II)		**250.63**	**362.23**
Share of profit of Joint venture		(761.93)	(349.30)
Profit / (loss) before tax from continuing operations		**(511.29)**	**12.93**
Tax expenses	21		
Current tax		119.58	121.42
Adjustment of tax relating to earlier periods		44.12	36.55
Deferred tax		(80.56)	(66.20)
Profit / (loss) for the year		**(594.43)**	**(78.84)**
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		(24.97)	(15.47)
Share of other comprehensive income of associates and joint venture		0.79	0.57
Income tax effect on such items		6.28	3.89
Total other comprehensive income for the year, net of tax		**(17.90)**	**(11.01)**
Total comprehensive income for the year, net of tax		**(612.33)**	**(89.85)**
Profit / (Loss) for the period attributable to:			
Owners of the Company		(594.44)	(78.84)
Non-controlling interest		-	-
Other comprehensive income / (loss) for the period attributable to:			
Owners of the Company		(17.89)	(11.01)
Non-controlling interest		-	-
Total comprehensive income / (loss) for the period attributable to:			
Owners of the Company		(612.33)	(89.85)
Non-controlling interest		-	-
Earnings per equity share (computed on the basis of profit for the year)	33		
(1) Basic (in ₹)		(4.25)	(0.56)
(2) Diluted (in ₹)		(4.25)	(0.56)

Significant accounting policies 2

The accompanying Notes 1 to 56 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
FRN No. 000018N / N500091

Sanjeev Agarwal
Partner
Membership No: 408316

Place: Noida
Date: 19th May, 2023

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

Sachin Jain
Chief Financial Officer

Pankhuri Agarwal
Company Secretary

Place: Noida
Date: 19th May, 2023

CONSOLIDATED CASH FLOWS

FOR THE YEAR ENDED 31st MARCH, 2023

(₹ in lacs)

Particulars	Year ended			
		31.03.2023		31.03.2022
CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax		(511.30)		12.93
Adjusted for				
Depreciation and amortisation expense	3,112.19		2,946.85	
Interest expense	1,033.14		566.53	
Balances written off	5.69		9.64	
Provision for bad & doubtful debts	(1.06)		(1.30)	
Profit on sale of investments	(13.75)		(4.24)	
Employees share based payments	48.76		-	
Unrealised exchange Loss/(Gain)	(3.30)		(14.31)	
Share in net profit / loss in associate & Joint venture	761.93		349.30	
Profit on cancellation of lease	(1.94)			
Interest income	(15.59)		(82.81)	
		4,926.07		3,769.67
Operating Profit before Working Capital Changes		**4,414.77**		**3,782.60**
Working capital adjustments				
Decrease / (Increase) in inventories	(2,006.66)		(1,110.21)	
Decrease / (Increase) in trade and other receivables	(743.21)		(156.04)	
Movement in trade and other payables	1,673.33		(122.13)	
Movement in provisions	(41.01)		14.31	
		(1,117.56)		(1,374.06)
Cash generated from operations		**3,297.21**		**2,408.53**
Direct taxes refunded / (paid)		(234.18)		(355.84)
Net cash from operating activities (A)		**3,063.03**		**2,052.69**
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant, equipment	(1,990.05)		(6,728.19)	
Purchase of assets in CWIP	(3,263.19)		(64.73)	
Purchase of intangible assets	(72.18)		(3.50)	
Purchase of Intangible assets under development	(185.09)		(189.00)	
Sale of tangible fixed assets	20.03		81.03	
Sale / (purchase) of current investments	(175.74)		(269.74)	
Sale / (purchase) of non current investments	(200.81)		(2.97)	
Profit on sale of investments	13.75		4.24	
Investment in fixed deposits (purchased) / matured	1.84		(0.38)	
Interest income	15.59		82.81	
Net cash used in investing activities (B)		**(5,835.85)**		**(7,090.44)**

CONSOLIDATED CASH FLOWS

FOR THE YEAR ENDED 31st MARCH, 2023

(₹ in lacs)

Particulars	Year ended			
		31.03.2023		31.03.2022
CASH FLOW FROM FINANCING ACTIVITIES				
Loan	(7.85)		53.26	
Payment of lease liabilities (refer note 4)	(76.12)		(38.50)	
Interest paid	(1,024.57)		(566.53)	
Proceeds / (repayment) of long term borrowings	103.10		3,452.55	
Proceeds / (repayment) of short term borrowings	4,166.85		2,186.15	
Dividends paid	(350.00)		(140.00)	
Net cash flow from financing activities (C)		**2,811.41**		**4,946.92**
Net increase in cash and cash equivalents (A+B+C)		**38.59**		**(90.82)**
Cash and cash equivalents at the beginning of the year		**44.01**		**134.83**
Cash and cash equivalents at the end of the year		**82.60**		**44.01**
Components of cash and cash equivalents at the end of the year				
Cash on hand		23.78		22.54
Balance with banks				
On current accounts		42.14		21.47
Deposits with maturity of less than 3 months		16.68		-
		82.60		**44.01**

Significant accounting policies 2

The accompanying Notes 1 to 56 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
FRN No. 000018N / N500091

Sanjeev Agarwal
Partner
Membership No: 408316

Place: Noida
Date: 19th May, 2023

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

Sachin Jain
Chief Financial Officer

Pankhuri Agarwal
Company Secretary

Place: Noida
Date: 19th May, 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT 31st MARCH, 2023

A. Equity share capital (refer note 16)

(₹ in lacs)

Equity shares of ₹ 10 each issued, subscribed and fully paid	No. of Shares	Amount
At 1st April, 2021	**14,000,000**	**1,400.00**
Issue of share capital	-	-
At 31st March, 2022	**14,000,000**	**1,400.00**
Issue of share capital	-	
As at 31st March, 2023	**14,000,000**	**1,400.00**

B. Other equity

Particulars	Reserves and Surplus				Items of other comprehensive income	Total equity (refer note 17)
	General Reserve	Securities Premium	Retained earnings	Employee Stock Options reserve	Re-measurement gains / (losses) on defined benefit plans	
As at 31st March, 2021	**1,158.95**	**7,000.00**	**21,120.30**	**-**	**(61.06)**	**29,218.19**
Net income / (loss) for the year	-	-	(78.84)	-	-	(78.84)
Other comprehensive income (note 32)	-	-	-	-	(11.01)	(11.01)
Total comprehensive income	**-**	**-**	**(78.84)**	**-**	**(11.01)**	**(89.84)**
Final dividend	-	-	(140.00)	-	-	(140.00)
As at 31st March, 2022	**1,158.95**	**7,000.00**	**20,901.47**	**-**	**(72.07)**	**28,988.35**
Net income / (loss) for the year	-	-	(594.43)	-	-	(594.43)
Share based payments (Refer note 35)	-	-	-	48.76	-	48.76
Other comprehensive income (note 32)	-	-	-	-	(17.89)	(17.89)
Total comprehensive income	**-**	**-**	**(594.43)**	**48.76**	**(17.89)**	**(563.56)**
Final dividend	-	-	(350.00)	-	-	(350.00)
As at 31st March, 2023	**1,158.95**	**7,000.00**	**19,957.04**	**48.76**	**(89.96)**	**28,074.79**

The accompanying Notes 1 to 56 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
FRN No. 000018N / N500091

Sanjeev Agarwal
Partner
Membership No: 408316

Place: Noida
Date: 19th May, 2023

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

Sachin Jain
Chief Financial Officer

Pankhuri Agarwal
Company Secretary

Place: Noida
Date: 19th May, 2023

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

1. Corporate information

The consolidated financial statements comprise financial statements of PPAP Automotive Limited ("PPAP") and its subsidiary companies (collectively, the Group) for the year ended 31st March, 2023. PPAP Automotive Limited ("PPAP" or "the company" or the "Parent") is a public 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, India.

The company's core competence is in developing plastic and driver-based extrusion systems as well as plastic injection moulding systems for various industries. The company is also in the business of developing high-precision plastic injection tooling for various industries. The company's state of the art manufacturing facilities is located in Noida (UP), Greater Noida (UP), Vallam Vadagal (Tamil Nadu) Pathredi (Rajasthan) and Ukhlod (Gujarat). The Company is listed on the Indian Stock Exchange (BSE/ NSE) since 2008.

The consolidated financial statements for the year ended 31st March 2023 were authorized for issue in accordance with a resolution of the directors on 19th May, 2023.

2. Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The consolidated financial statements have been prepared on a historical cost convention, 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 Indian Rupees (INR) and all values are rounded to the nearest lakh (INR 00,000), except when otherwise indicated.

2.2 Basis of Consolidation

(i) Subsidiaries

Subsidiary companies are entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date the control ceases. The group combines the financial statements of the parent and its subsidiary companies line by line adding together like items of assets, liabilities, equity, income and expenses. Inter company transactions, balance and unrealised gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of change in equity and balance sheet respectively.

(ii) 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 (iv) below), after initially being recognised at cost.

(iii) 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 (iv) below), after initially being recognised at cost in the consolidated balance sheet.

(iv) Equity method

Under the equity method of accounting, the investments are initially recognised 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.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

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 recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized 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. Unrealized 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 Group.

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 Group 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;
- 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 Group 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	15 years

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

Leasehold Land and 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. Investment properties

Investment properties held to earn rentals or for capital appreciation or both are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Depreciation is charged on a straight line basis over their estimated useful lives. Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognized in the statement of profit and loss. Transfer to, or from, investment property is done at the carrying amount of the property.

d. 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 and accumulated impairment loss.

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 amortisation 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 capitalised and amortised on straight line method over their estimated useful economic life of six years.

Internally generated: Research & development Costs

i) Research costs are charged to the statement of Profit and Loss in the year in which they are incurred.

ii) Product development costs incurred on new dies and moulds and new products are recognised as intangible assets, when feasibility has been established, the Company has committed technical, financial and other resources to complete the development and it is probable that asset will generate future economic benefits.

The cost of an internally generated intangible asset is the sum of directly attributable expenditure incurred from the date when the intangible asset first meets the recognition criteria to the completion of its development.

Product development costs is amortised over the life of the related product, being a period of 6 years. Product development expenditure is measured at cost less accumulated amortisation and impairment, if any. Amortisation is not recorded on product engineering in progress until development is complete.

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 capitalised 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 Group 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 Group 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 Consolidated Financial Statements

for the year ended 31st March, 2023

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 weighted average basis. Work-in-progress is carried at cost or net realisable value whichever is lower.

h. Revenue Recognition

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

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 is 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 Group 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 Group 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 Group 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 Group'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.

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 & 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.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

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 Group 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 Group 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 utilised.

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 & 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

Short-term obligations

Liabilities for wages and salaries including non-monetary benefits that are expected to be settled within twelve months of rendering the service are recognised in the period in which the employee renders the related service and are measured at the undiscounted amount expected to be paid.

Other long-term employee benefit obligations

Other long-term employee benefits are recognised as an expense in the statement of profit and loss as and when they accrue. The Group determines the liability using the Projected Unit Credit Method, with actuarial valuations carried out as at the balance sheet date. Actuarial gains and losses in respect of such benefits are charged to the statement of profit and loss.

Post-employment obligations

Defined contribution plans:

The Group makes payments made to defined contribution plans such as provident fund and employees' state insurance fund. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

Defined benefit plans:

The Group has defined benefit plan namely gratuity fund for employees. The gratuity fund is recognised by the income tax authorities and is administered through trusts set up by the Group. Any shortfall in the size of the fund maintained by the trust is additionally provided for in profit or loss. The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuary using the projected unit credit method. The present

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

l. Employee Share based Payments

The Parent Company operates equity settled share-based plan for the employees (Referred to as employee stock option plan (ESOP)). ESOP granted to the employees are measured at fair value of the stock options at the grant date using Black-Scholes model. Such fair value of the equity settled share based payments are amortised on a straight line basis over the vesting period, based on the Parent Company's estimate of equity shares that will eventually vest, with a corresponding increase in equity (employee stock option reserve). At the end of each reporting period, the Parent Company revises its estimate of number of equity shares expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Consolidated Statement of Profit and Loss such that cumulative expense reflects the revised estimate, with a corresponding adjustments to the employee stock option reserve.

The Parent Company recovers the expenses incurred on behalf of its subsidiary for the stock options granted to the employees of the subsidiaries.

m. Royalty

The Group 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 recognised 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.

n. Leases

As a lessee:

The Group recognizes a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Lease Liability

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

Right of Use (ROU) Assets

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2.3, Impairment of non-financial assets.

ROU assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease.

Lease liability and ROU asset is separately presented in the balance sheet and lease payments is classified as financing cash flows.

As a lessor :

The Group enters into lease arrangements as a lessor with respect to some of its investment properties and buildings.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

o. Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group 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 recognised 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;
- 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.

p. 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.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

q. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its Standalone financial statements.

r. 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.

s. Fair value measurement

The Group 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
- 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 Group 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 Group 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.

t. 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.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

(a) Financial assets

Classification

The Group 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 amortised cost**

  A financial asset is subsequently measured at amortised 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 Group 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 Group has transferred its rights to receive cash flows from the asset.

Investment in subsidiaries, joint ventures and associates

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

Impairment of financial assets

The Group 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 Group 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 Group 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 Group 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.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

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 Group 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 Group estimates the following provision matrix at the reporting date:

	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years
Default rate	0.05%	1.00%	50.00%	75.00%	100.00%

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 Group 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 Group'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 amortised 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 profit and loss.

- **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 Group 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 profit and loss.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

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 profit and loss.

(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 Group 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 profit and loss.

u. 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 profit and loss 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 Group 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.

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

2.4 Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, 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 Group has identified the following areas where significant judgements, 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.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, 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 Group, 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 Group 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 Group. Such changes are reflected in the assumptions when they occur.

(a) Impairment of non-financial assets

The Group 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 Group 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 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. Judgements 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 Group uses judgments in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

3. Property, plant and equipment

Particulars	Land	Factory Building	Building Renovation	Plant & Machinery	Furniture & fixtures	Vehicle	Office Equipment	Dies & Moulds	Computer	Total
Cost										
As at 1st April, 2021	2,159.27	9,479.15	-	17,810.92	730.71	1,038.33	392.23	2,997.83	389.47	34,997.91
Additions	65.89	1,689.45	91.03	3,041.25	120.90	74.26	36.37	1,462.28	84.97	6,666.40
Disposals	-	-	-	60.06	2.44	215.83	5.71	-	1.49	285.53
As at 1st April, 2022	**2,225.16**	**11,168.60**	**91.03**	**20,792.10**	**849.17**	**896.76**	**422.89**	**4,460.11**	**472.95**	**41,378.78**
Additions	-	1,099.16	109.24	4,211.59	184.65	29.34	121.58	590.48	84.60	6,430.63
Disposals	-	-	-	26.98	6.07	7.98	-	-	0.69	41.72
Reclassification to Investment Property	-	-	-	-	-	-	-	-	-	-
As at 31st March, 2023	**2,225.16**	**12,267.76**	**200.27**	**24,976.71**	**1,027.75**	**918.12**	**544.47**	**5,050.59**	**556.86**	**47,767.69**
Depreciation										
As at 1st April, 2021	**48.46**	**1,541.68**	**-**	**7,162.97**	**280.80**	**553.03**	**279.56**	**1,365.42**	**280.35**	**11,512.27**
Depreciation charge for the year 2021-22	21.06	352.01	2.87	1,717.29	70.53	128.52	39.73	314.11	36.76	2,682.87
Disposals	-	-	-	45.26	0.66	153.72	3.65	-	0.81	204.10
As at 1st April, 2022	**69.52**	**1,893.69**	**2.87**	**8,835.00**	**350.67**	**527.83**	**315.64**	**1,679.53**	**316.29**	**13,991.05**
Depreciation charge for the year 2022-23	21.24	416.56	32.11	1,918.06	81.95	84.14	39.60	182.94	54.68	2,831.28
Disposals	-	-	-	15.00	0.48	5.57	-	-	0.65	21.70
Reclassification to Investment Property										
As at 31st March, 2023	**90.76**	**2,310.25**	**34.98**	**10,738.06**	**432.14**	**606.40**	**355.24**	**1,862.47**	**370.32**	**16,800.63**
Net book value										
As at 31st March, 2023	**2,134.40**	**9,957.51**	**165.29**	**14,238.65**	**595.59**	**311.72**	**189.20**	**3,188.12**	**186.54**	**30,967.06**
As at 31st March, 2022	**2,155.64**	**9,274.91**	**88.16**	**11,957.10**	**498.49**	**368.93**	**107.25**	**2,780.58**	**156.66**	**27,387.72**

Note : Property, plant & equipment refer significant accounting policies note no 2.3b

(i) Additional disclosure / Regulatory Information as required by Notification no. GSR 207(E) dated 24.03.2021

I. The Company has not revalued its Property, Plant and Equipment during the year.

II. The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

3a. Capital work-in-progress

Particulars	Building Construction	Plant & Machinery	Furniture& Fixtures	Office Equipment	Dies & Moulds	Computer	Total
As at 1st April, 2021	**1,330.68**	**587.10**	**40.36**	**12.16**	**25.84**	**17.80**	**2,013.93**
Additions	644.14	3,471.24	52.94	5.79	285.57	1.23	4,460.91
Disposals / capitalizations	1,675.92	2,305.77	69.45	14.92	311.10	19.03	4,396.19
As at 1st April, 2022	**298.90**	**1,752.57**	**23.85**	**3.03**	**0.31**	**-**	**2,078.66**
Additions	794.44	2,252.30	108.20	49.85	45.37	13.03	3,263.19
Disposals / capitalizations	994.68	3,232.38	120.52	52.29	27.69	13.03	4,440.58
As at 31st March, 2023	**98.66**	**772.49**	**11.53**	**0.59**	**17.99**	**-**	**901.27**

a) Ageing of Capital work-in-progress as at 31.03.2023

Capital work-in-progress	Amount of Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	901.26	-	-	-	901.26
Projects temporarily suspended	-	-	-	-	-

b) Ageing of Capital work-in-progress as at 31.03.2022

Capital work-in-progress	Amount of Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,078.66	-	-	-	2,078.66
Projects temporarily suspended	-	-	-	-	-

4. Right of use assets

Particulars	Leasehold Building	Vehicle	Total	Lease liabilities
As at 1st April, 2021	-	-	-	-
Additions	131.09	68.57	199.66	194.59
Depreciation	30.24	10.18	40.42	-
Finance cost	-	-	-	6.77
Lease payments	-	-	-	(40.20)
As at 31st March, 2022	**100.84**	**58.40**	**159.24**	**161.16**
Additions	25.85	18.87	44.73	44.73
Cancellation of Lease	58.89		58.89	(47.34)
Depreciation	46.69	24.43	71.12	-
Acc. Dep. Of cancelled lease	13.50		13.50	
Finance cost	-	-	-	8.57
Lease payments	-	-	-	(76.12)
As at 31st March, 2023	**34.61**	**52.84**	**87.46**	**90.99**
Non-current portion				33.19
Current portion				57.81
As at 31st March, 2023				**90.99**
Non-current portion				85.30
Current portion				75.86
As at 31st March, 2022				**161.16**

The maturity analysis of lease liabilities are disclosed in Note 43.

The effective interest rate for lease liabilities is 7.55%.

Amounts recognised in the statement of profit & loss related to leases are as under:

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Depreciation expense of right-of-use assets	93.74	40.42
Interest expense on lease liabilities	8.57	6.77
Expense relating to short term and low value leases (included in other expenses)- Ref. Note 36	37.94	35.11
Total	**140.26**	**82.30**

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

5. Other Intangible assets

Cost	Software	Technical Know How	Website Development	Total
As at 1st April, 2021	**518.55**	**1,379.98**	**3.13**	**1,901.65**
Additions	36.93	152.07	-	189.00
Disposals	-	-	-	-
As at 1st April, 2022	**555.48**	**1,532.05**	**3.13**	**2,090.65**
Additions	93.88	58.05	-	151.93
Disposals	**-**	**-**	**-**	**-**
As at 31st March, 2023	**649.36**	**1,590.10**	**3.13**	**2,242.58**
Amortisation				
As at 1st April, 2021	**210.42**	**789.35**	**0.11**	**999.88**
Amortization charge for the year 2021-2022	69.48	137.61	0.50	207.59
Disposals	-	-	-	-
As at 1st April, 2022	**279.90**	**926.96**	**0.61**	**1,207.47**
Amortization charge for the year 2022-2023	73.97	135.55	0.27	209.79
Disposals	-	-	-	-
As at 31st March, 2023	**353.88**	**1,062.51**	**0.88**	**1,417.26**
Net book value				
As at 31st March, 2023	**295.48**	**527.59**	**2.25**	**825.32**
As at 31st March, 2022	**275.57**	**605.09**	**2.52**	**883.19**

5a. Intangible assets under development

	Software	Development asset	Total
As at 1st April, 2021	**16.65**	**2.39**	**19.05**
Additions	3.50	66.34	69.84
Disposals / capitalizations	20.15	-	20.15
As at 1st April, 2022	**-**	**68.73**	**68.73**
Additions	1.33	183.77	185.09
Disposals / capitalizations	1.33	78.43	79.75
As at 31st March, 2023	**-**	**174.07**	**174.07**

a) Ageing of intangible assets under development as at 31.03.2023

Capital work-in-progress	Amount of intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	174.07	-	-	-	174.07
Projects temporarily suspended	-	-	-	-	-

b) Ageing of intangible assets under development as at 31.03.2022

Capital work-in-progress	Amount of intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	68.73	-	-	-	68.73
Projects temporarily suspended	-	-	-	-	-

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

6. Investments	**Non-current**		**Current**	
	As at 31.03.2023	**As at 31.03.2022**	**As at 31.03.2023**	**As at 31.03.2022**
(a) Investment in equity shares of joint venture company at cost				
Unquoted				
PPAP Tokai India Rubber Private Limited 4,85,00,000 (31st March, 2022 : 4,85,00,000) equity shares of ₹10 each fully paid up	3,532.58	4,293.71	-	-
	3,532.58	4,293.71	-	-
Other Investments				
(b) Investment in Preference Shares at fair value through profit or loss				
Unquoted				
0.001% Compulsorily Convertible Preference Shares of Motovolt Mobility Private Limited: 4,87,800 (March 31, 2022: Nil) Shares of ₹ 10 each fully paid up #	200.00	-	-	-
	200.00	-	-	-
(c) Investment in mutual fund at fair value through profit or loss				
Quoted				
ICICI Mutual Fund: 2,69,773.741 (March 31, 2022: 2,69,827.123) units	-	-	63.70	60.50
PGIM Flexi Cap: 26,138.897 (March 31, 2022: 9,157.73) units	-	-	6.43	2.35
ABSL Multicap: 51,895.347 (March 31, 2022: 17,204.56) units	-	-	6.20	2.10
Aditya Birla Sunlife Mutual Fund: 3,29,56,490.22 (March 31, 2022: 2,65,773.41) units	-	-	338.77	195.45
Canara Robecco Emerging Equities: 3964.579 (March 31, 2022: 1,520.03) units	-	-	6.51	2.41
Axis Midcap: 10079.176 (March 31, 2022: 3,616.94) units	-	-	6.48	2.44
SBI Contra: 3175.039 (March 31, 2022: 1,232.25) units	-	-	7.19	2.46
Mirae Asset Focused Equity:33551.121 (March 31, 2022: 10,647.51) units	-	-	5.98	2.03
HDFC Large And Midcap Fund: 1426.197 (March 31, 2022: Nil) units	-	-	2.74	-
Mahindra Manulife Multi Cap Badhat Yojana: 4882.258 (March 31, 2022: nil) units	-	-	1.48	-
Total	**3,732.58**	**4,293.71**	**445.48**	**269.74**

 # Cost treated as Fair value. These preference share are non cumulative.

Aggregate value of unquoted investments	3,732.58	4,293.71
Aggregate amount of impairment in value of investments	-	-

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

7. Other financial assets (Unsecured, considered good)	**Non-current**		**Current**	
	As at 31.03.2023	**As at 31.03.2022**	**As at 31.03.2023**	**As at 31.03.2022**
Security Deposits	216.79	182.54	-	-
Bank deposits (having maturity more than 12 months)	244.87	332.02	21.38	-
Bank deposits with original maturity of more than three months but less than 12 months	-	-	92.29	125.97
Interest accrued on deposits	-	-	35.18	3.28
Insurance claim receivable	-	-	43.77	42.70
Share based Payments to employees of Joint Venture	-	-	1.85	-
Other financial assets	-	-	6.00	-
Derivative instruments at fair value through profit or loss				
Foreign exchange forward contracts not qualifying or not designated in hedge accounting relationships	-	-	6.71	3.44
Total	**461.66**	**514.56**	**207.18**	**175.39**

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.

8. Other non-current assets (Unsecured, considered good)	**As at 31.03.2023**	**As at 31.03.2022**
Capital advances	941.91	885.87
Other non current assets	79.55	145.27
Total	**1,021.46**	**1,031.14**

9. Inventories	**As at 31.03.2023**	**As at 31.03.2022**
Raw materials	3,317.81	3,333.35
Stock in trade	202.87	151.63
Work-in-progress	2,354.65	640.11
Finished goods	1,366.57	1,100.01
Stores and spares	365.18	372.22
Goods in transit	5.43	8.53
Total	**7,612.51**	**5,605.85**

Note:

For mode of valuation refer accounting policy number 2.3 (v)

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

10. Trade receivables	As at 31.03.2023	As at 31.03.2022
Unsecured, considered good	6,514.83	5,588.28
Unsecured, credit impaired	0.04	0.01
Less: Provision for doubtful receivables	3.87	2.08
Total	**6,511.00**	**5,586.22**

Trade receivables				**As at 31.03.2023**				
Outstanding for following periods from due date of payment	**Not Due**	**Less than 6 months**	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Other**	**Total**
(i) Undisputed Trade receivables – considered good	5,557.21	608.94	347.40	1.28	-	-	-	6,514.83
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	0.04	-	-	-	0.04
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**5,557.21**	**608.94**	**347.40**	**1.32**	**-**	**-**	**-**	**6,514.87**

Trade receivables				**As at 31.03.2022**				
Outstanding for following periods from due date of payment	**Not Due**	**Less than 6 months**	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Other**	**Total**
(i) Undisputed Trade receivables – considered good	4,395.31	1,034.79	158.19	-	-	-	-	5,588.28
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	0.01	-	-	-	0.01
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**4,395.31**	**1,034.79**	**158.19**	**0.01**	**-**	**-**	**-**	**5,588.30**

Trade receivables	**As at 31.03.2023**	**As at 31.03.2022**
Trade receivable are due from Directors or other officers of the Company either severally or jointly with any other person	-	-
Due from firms or private companies respectively in which any Director is a partner, a director or a member	168.67	259.07

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

11. Cash and cash equivalents	As at 31.03.2023	As at 31.03.2022
Balances with banks		
On current accounts	42.14	21.47
Deposits with maturity of less than 3 months	16.68	-
Cash on hand	23.78	22.54
Total	**82.60**	**44.01**
For the purpose of statement of cash flows, cash and cash equivalents comprises the following:		
Balance with banks		
On current accounts	42.14	21.47
Deposits with maturity of less than 3 months	16.68	-
Cash on hand	23.78	22.54
Total	**41.32**	**44.01**

12. Other balances with banks	As at 31.03.2023	As at 31.03.2022
Bank Balance: unpaid dividend account (earmarked balances with banks)	11.38	13.22
Total	**11.38**	**13.22**

13. Loans	As at 31.03.2023	As at 31.03.2022
Loans to related parties		
(Considered good, unsecured)	-	-
Other loans		
(Unsecured, considered good)		
Loan to staff	-	0.52
Labour welfare receivable	8.37	-
Total	**8.37**	**0.52**

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. Current tax assets (net)	As at 31.03.2023	As at 31.03.2022
Income tax provision (net of provision for income tax ₹ 119.58 lakhs)	113.82	123.78
Total	**113.82**	**123.78**

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

15. Other current assets (Unsecured, considered good)	**As at 31.03.2023**	**As at 31.03.2022**
Advance to suppliers & contractors	191.99	503.10
Prepaid expenses	262.86	204.45
Balances with government authorities	1,181.10	1,003.14
Other current assets	0.20	6.29
Total	**1,636.15**	**1,716.99**

16. Equity share capital	**As at 31.03.2023**	**As at 31.03.2022**
Authorized		
2,00,00,000 equity shares of ₹ 10 each (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 (1,40,00,000 equity shares of ₹ 10 each)	1,400.00	1,400.00
Total	**1,400.00**	**1,400.00**

A. Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	**As at 31.03.2023**		**As at 31.03.2022**	
	No. of shares	**Amount**	**No. of shares**	**Amount**
At the beginning of the year	14,000,000	1,400.00	14,000,000	1,400.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	**14,000,000**	**1,400.00**	**14,000,000**	**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 holder of share is entitled to voting rights proportionate to their share holding.

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.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

C. Following shareholders hold equity shares more than 5% of the total equity shares of the Company:

Name of Shareholder	**As at 31.03.2023**		**As at 31.03.2022**	
	Number of shares held	**% of holding in class**	**Number of shares held**	**% of holding in class**
Ajay Kumar Jain	3,867,180	27.62%	3,867,180	27.62%
Abhishek Jain	1,002,404	7.16%	1,002,404	7.16%
Kalindi Farms Private Limited	3,200,000	22.86%	1,908,482	13.63%

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

Particulars	**As at 31.03.2023**	**As at 31.03.2022**
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

E. Details of Promoter's Shareholding

S. No.	**Promoter's Name**	**As at 31.03.2023**		**As at 31.03.2022**		**%age change during the year**
S. No.	**Promoter's Name**	**No. of Shares**	**% of shares held**	**No. of Shares**	**% of shares held**	
1	Ajay Kumar Jain	3,867,180	27.62%	3,867,180	27.62%	0.00%
2	Abhishek Jain	1,002,404	7.16%	1,002,404	7.16%	0.00%
3	Vinay Kumari Jain	533,890	3.81%	533,890	3.81%	0.00%
4	Ajay Kumar Jain (HUF)	90,123	0.64%	90,123	0.64%	0.00%
5	Rashi Jain	45,540	0.33%	45,540	0.33%	0.00%
6	Kalindi Farms Private Limited	3,200,000	22.86%	1,908,482	13.63%	67.67%
7	Sri Lehra Jewellers Private Limited	-	-	557,463	3.98%	-100%
8	Advance Commotrade Private Limited	-	-	222,500	1.59%	-100%
9	Littlestar Tradelinks Private Limited	-	-	198,010	1.41%	-100%
10	Prism Suppliers Private Limited	193,700	1.38%	193,700	1.38%	0%
11	Smart Commotrade Private Limited	168,030	1.20%	168,030	1.20%	0%
12	Ratnakar Dealtrade Private Limited	-	-	148,130	1.06%	-100%
13	Nikunj Foods Private Limited	-	-	146,445	1.05%	-100%

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

17. Other equity	Amount
a) Securities premium	
As at 1st April, 2021	**7,000.00**
Issue of equity shares	-
As at 31st March, 2022	**7,000.00**
Issue of equity shares	-
As at 31st March, 2023	**7,000.00**
b) Actuarial gains / losses on defined benefit employee obligations	
As at 1st April, 2021	**(61.06)**
Other comprehensive income for the period	(11.01)
As at 31st March, 2022	**(72.07)**
Other comprehensive income for the period	(17.89)
As at 31st March, 2023	**(89.96)**
c) Share based payments reserve	
As at 1st April, 2022	
SBP Reserve for the period	**48.76**
As at 31st March, 2023	**48.76**
d) General reserve	
As at 1st April, 2021	**1,158.95**
Add: Transferred from retained earnings	-
As at 31st March, 2022	**1,158.95**
Add: Transferred from retained earnings	-
As at 31st March, 2023	**1,158.95**
e) Retained earnings	
As at 1st April, 2021	**21,120.30**
Profit for the period	(78.83)
Less: Final dividend paid	(140.00)
As at 31st March, 2022	**20,901.47**
Profit for the period	(594.43)
Less: Final dividend paid	(350.00)
As at 31st March, 2023	**19,957.04**
Total other equity	
As at 31st March, 2023	**28,074.79**
As at 31st March, 2022	**28,988.35**

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) Employee Stock Options reserve

The Company has share option scheme under which options to subscribe for the Company's shares have been granted to certain executives and senior employees.

The employee stock options reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer Note 36 for further details of these plans.

d) 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.

e) 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 Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

18. Borrowings	Non-current		Current	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Secured				
Term loans				
Term loan from banks	8,448.46	7,763.41	136.18	982.27
Term loan from financial institution	393.97	760.18	499.71	809.38
Vehicle loans				
From banks	83.45	106.77		-
Less: Current maturities	(1,761.08)	(741.44)	1761.08	741.44
Working capital loans from banks (refer note III below)	-	-	4,526.64	386.40
Unsecured				
Term loans				
Term loan from financial institution	827.22		162.73	-
Total	**7,992.02**	**7,888.92**	**7,086.34**	**2,919.49**

Terms of borrowings

Type of loan	Loan outstanding		MCLR/ Repo. Rate	Spread	Repayment terms
	As at 31.03.2023	As at 31.03.2022	(% per annum)	(% per annum)	
AXIS bank term loan	648.15	870.37	5.90	2.90	Repayable in 54 monthly installment ₹18.52 lakhs each.
	1,906.11	2,190.00	5.90	2.90	Repayable in 54 monthly installment ₹ 40.56 lakhs each.
	269.81	-	5.90	2.90	Repayable in 54 monthly installment ₹ 5.74 lakhs each.
HDFC bank term loan	990.45	1,350.00	8.65	0.45	Repayable in 20 quarterly installment ₹90.00 lakhs each.
	173.24	236.84	8.65	0.45	Repayable in 19 quarterly installment ₹15.79 lakhs each.
	2,000.00	-	8.65	0.45	Repayable in 18 quarterly installment ₹111.11 lakhs each.
HSBC bank term loan	328.43	464.33	8.30	0.25	Repayable in 60 monthly installment ₹11.33 lakhs each.
	1,341.67	1,610.00	8.30	0.25	Repayable in 60 monthly installment ₹26.83 lakhs each.
	344.50	390.00	8.30	0.25	Repayable in 60 monthly installment ₹6.50 lakhs each.
HSBC bank term loan	567.05	641.26	6.53	2.00	Repayable in 20 quarterly installments
Term loan from financial institution (PICUP)	893.68	1,569.56	-	-	Repayable in one installment after seven years from the date of disbursement i.e. 27.12.2016 for ₹ 499.71 lakhs, 02.11.2018 for ₹ 432.99 lakhs and 30.03.2022 for ₹ 109.49 lakhs.
Term loan from financial institution (Tata Capital Financial Services Ltd.)	989.95	-	10.75		Repayable in 36 monthly installments
Vehicle loans from banks	83.45	106.77	7.35 % to 8.35% per annum	-	Repayable in equal monthly instalments of 1 to 60 months
Working capital loans from banks- see Note vi & vii	4,526.64	386.40	see Note vii		On demand

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

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 way of hypothecation of vehicles.

Note iv:

The Company has satisfied all the loan covenants.

Note v:

The Company has used the loans for the purpose for which these were taken.

Note vi:

Secured by hypothecation of inventories, book debts, other current assets, factory land and building situated at at B-206A, Sector-81, Phase-II, Noida.

Note vii:

Bank	Facility	Limit	MCLR / Repo. Rate (% per annum)	Spread (% per annum)
HSBC Bank	CC	2,100.00	8.35	0.85
HDFC Bank	CC	1,800.00	8.20	-
ICICI Bank	CC	2,200.00	8.35	0.10
Axis Bank	CC	100.00	8.90	-

Details submitted in quarterly statement with the bankers vs books of accounts

Particulars	Period	Amount as per Financials	Amount filed with Bankers	Difference	Period	Amount as per Financials	Amount filed with Bankers	Difference
Eligible Trade Receivables	**31.03.2023**	6,559.45	6,559.45	-	**30.09.2022**	5,897.03	5,897.03	-
Eligible Inventories	**31.03.2023**	7,409.63	7,409.63	-	**30.09.2022**	7,650.75	7,650.75	-
Other Current Assets reported to banks	**31.03.2023**	1,805.11	1,805.11	-	**30.09.2022**	2,195.84	2,195.84	-
Any Other Financial Information reported to banks in quarterly returns	**31.03.2023**	-	-	-	**30.09.2022**	-	-	-

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

19. Other financial liabilities	Non-current		Current	
	As at 31.03.2023	**As at 31.03.2022**	**As at 31.03.2023**	**As at 31.03.2022**
Security deposits	**-**	**-**	**44.18**	**44.21**
Interest accrued on borrowings	-	-	43.73	18.07
Creditors for expenses	-	-	537.90	566.33
Unclaimed dividends	-	-	10.82	12.67
Fair Value of Financial Guarantee given	0.01	7.77	-	-
Total	**0.01**	**7.77**	**636.63**	**641.28**

(₹ in lacs)

20. Provisions	Non-current		Current	
	As at 31.03.2023	**As at 31.03.2022**	**As at 31.03.2023**	**As at 31.03.2022**
Provision for employee benefits				
Provision for gratuity	434.66	491.56	74.65	66.64
Provision for compensated absences (Refer note 35 for Ind AS 19 disclosures)	163.23	147.33	28.64	18.77
Total	**597.89**	**638.89**	**103.29**	**85.41**

21. Income Taxes

The major components of income tax expense for the year ended 31st March, 2023 and 31st March, 2022 are:

A. Statement of profit and loss

(i) Profit & loss section

Particulars	As at 31.03.2023	As at 31.03.2022
Current income tax charge	119.58	121.42
Adjustments in respect of current income tax of previous year	44.12	36.55
Deferred tax		
Relating to origination and reversal of temporary differences	(80.56)	(66.20)
Income tax expense reported in the statement of profit & loss	**83.14**	**91.77**

(ii) OCI section **Deferred tax related to items recognised in OCI during the year:**	**As at 31.03.2023**	**As at 31.03.2022**
Net (loss) / gain on remeasurements of defined benefit plans	6.28	3.89
Income tax charged to OCI	**6.28**	**3.89**

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

B. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for financial year ended 31st March, 2023 and 31st March, 2022.

Particulars	As at 31.03.2023	As at 31.03.2022
Accounting profit before tax from continuing operations	250.63	362.22
Profit / (loss) before tax from a discontinued operation	-	-
Accounting profit before income tax	**250.63**	**362.22**
At India's statutory income tax rate of 25.168% (31st March, 2022: 25.168%)	254.70	166.13
Adjustments in respect of current income tax of previous years	44.12	36.55
Net disallowances on which deferred tax is not recognised	6.66	13.21
Exempted income / deductions	(18.25)	(14.94)
Incremental deferred tax on account of financial assets and other items	(31.44)	(27.88)
Unabsorbed losses and depreciation carry forward and set off	(172.64)	(81.29)
	83.14	**91.77**
Income tax expense reported in the statement of profit and loss	83.14	91.77
	83.14	**91.77**

C. Deferred tax

Deferred tax relates to the following:

Particulars	Balance sheet		Statement of profit and loss / OCI	
	As at 31.03.2023	As at 31.03.2022	Year ended 31.03.2023	Year ended 31.03.2022
Accelerated depreciation for tax purposes	1,055.68	794.38	(261.30)	(4.10)
Unabsorbed losses and depreciation	(341.77)	(69.73)	272.02	25.51
Provision for gratuity & leave encashment	(260.89)	(229.92)	30.97	11.06
Reversal of deferred tax assets on cancellation of leased assets	0.44	-	-	-
Present valuation of borrowings & other items of temporary differences	55.40	100.56	45.16	37.63
Deferred tax (expense) / income			**86.84**	**70.09**
Net deferred tax (assets) / liabilities	**508.87**	**595.29**		

Reflected in the balance sheet as follows:

Particulars	As at 31.03.2023	As at 31.03.2022
Deferred tax assets	(602.65)	(299.65)
Deferred tax liabilities	1,111.52	894.94
Deferred tax liabilities, net	**508.87**	**595.29**

Reconciliation of deferred tax liabilities (net)

Particulars	As at 31.03.2023	As at 31.03.2022
Opening balance	**595.29**	**665.39**
Tax (income) / expense during the period recognized in profit & loss	(80.57)	(66.21)
Tax (income) / expense during the period recognized in OCI	(6.28)	(3.89)
Reversal of deferred tax assets on cancellation of leased assets	0.44	-
Closing balance	**508.87**	**595.29**

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

22. Trade payables	As at 31.03.2023	As at 31.03.2022
total outstanding dues of micro and small enterprises	1,048.94	917.30
total outstanding dues of creditors other than micro and small enterprises	5,276.57	3,940.75
Total	**6,325.52**	**4,858.05**

Trade payables	As at 31.03.2023						
Outstanding for following periods from due date of payment	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Other	Total
(i) MSME	753.69	295.26	-	-	-	-	1,048.94
(ii) Others	3,804.99	1,471.58	-	-	-	-	5,276.57
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-	-	-
Total	**4,558.68**	**1,766.84**	**-**	**-**	**-**	**-**	**6,325.51**

Trade payables	As at 31.03.2022						
Outstanding for following periods from due date of payment	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Other	Total
(i) MSME	641.97	275.33	-	-	-	-	917.30
(ii) Others	2,684.47	1,225.82	30.46	-	-	-	3,940.75
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-	-	-
Total	**3,326.44**	**1,501.15**	**30.46**	**-**	**-**	**-**	**4,858.05**

23. Other current liabilities	As at 31.03.2023	As at 31.03.2022
Advance from customers	1,382.83	1,174.16
Advance to staff	5.75	11.64
Statutory dues payable	594.44	582.26
Total	**1,983.02**	**1,768.06**

24. Revenue from operations	Year ended 31.03.2023	Year ended 31.03.2022
Sale of products		
Automotive parts	47,866.25	39,088.45
Moulds	3,181.78	2,605.21
	51,048.03	41,693.66
Other operating revenue		
GST subsidy	63.19	463.49
Investment subsidy on employment	-	34.58
Total	**51,111.22**	**42,191.73**

Performance obligations and remaining performance obligations

The remaining performance obligations 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, 2023 (31st March, 2022: Nil).

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

25. Other income	Year ended 31.03.2023	Year ended 31.03.2022
Other non operating income		
Interest income	61.50	29.65
Profit on sale of investment	12.10	0.07
Gain on fair valuation of current investments	1.65	4.17
Foreign exchange gain	35.82	45.02
Profit on cancellation of lease	1.50	-
Rent received	13.34	3.75
Unclaimed balances written off	6.14	9.64
Allowance for credit loss (net)	1.06	1.30
Miscellaneous Income	3.23	6.18
Guarantee/ Commission Income	4.73	-
Total	**141.07**	**99.78**

26. Cost of materials consumed	Year Ended 31.03.2023	Year ended 31.03.2022
Raw material	30,629.13	23,089.43
Dyes & chemicals	281.34	195.71
Packing material	944.86	638.23
Steel	508.77	653.96
Dies & molds	977.97	815.26
Total	**33,342.07**	**25,392.59**

27. Changes in inventories of finished goods, stock in trade and work-in-progress	Year ended 31.03.2023	Year ended 31.03.2022
Inventories at the beginning of the year		
Work-in-progress	513.55	346.04
Work-in-progress of inhouse manufactured molds	-	755.44
Finished goods	1,386.80	990.72
Total inventories at the beginning of the year (A)	**1,900.35**	**2,092.20**
Inventories at the end of the year		
Work-in-progress	2,403.10	513.55
Finished goods	1,478.37	1,386.80
Total inventories at the end of the year (B)	**3,881.46**	**1,900.35**
Total (A-B)	**(1,981.11)**	**191.85**

28. Employee benefits expense	Year ended 31.03.2023	Year ended 31.03.2022
Salaries and wages	7,297.82	6,499.45
Contribution to provident and other funds	339.39	330.89
Staff welfare expenses	653.38	393.47
Total	**8,290.59**	**7,223.81**

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

29. Finance costs	Year ended 31.03.2023	Year ended 31.03.2022
Interest expense	1,164.56	639.21
Other borrowing costs	1.12	6.25
Interest on lease liabilities	7.45	5.07
Total	**1,173.12**	**650.53**

30. Depreciation and amortization expense	Year ended 31.03.2023	Year ended 31.03.2022
Depreciation of Property, Plant and Equipment (refer note 3)	2,831.28	2,698.86
Depreciation of Right of Use Assets (refer note 4)	71.12	40.42
Amortization of Intangible Assets (refer note 5)	209.79	207.58
Total	**3,112.19**	**2,946.85**

31. Other expenses	Year ended 31.03.2023	Year ended 31.03.2022
Other manufacturing expenses		
Stores and spares consumed	302.54	222.81
Power and fuel	1,336.10	922.94
Factory expenses	339.44	224.19
Repair & maintenance		
Building	105.18	55.51
Machinery	378.44	413.29
Others	262.35	71.35
Administrative and other expenses		
Rent	24.97	11.78
Rates & taxes	30.62	10.02
Listing expenses	5.60	2.50
Postage & telephone expenses	43.83	42.58
Printing & stationery	74.21	95.78
Traveling & conveyance expenses	718.36	511.86
Office electricity & water	10.73	6.87
Insurance charges	198.18	187.75
Factory security	151.92	139.14
Foreign exchange loss	59.85	-
Foreign exchange hedging loss	-	2.26
Legal & professional charges	417.39	487.99
Motor car expenses	25.42	25.46
Bank charges	30.72	44.56
Fees & subscription	48.16	38.92
Allowance for credit loss (net)	2.88	0.29
Corporate social responsibility expenses (refer note 51)	60.93	59.00
Directors sitting fees	22.30	19.20
Payment to collaborators / royalty	299.21	278.28
Charity & donation	0.40	-
Discount and short recovery	0.67	7.31
Miscellaneous expenses	130.16	201.41
Auditors' remuneration		
As audit fees	9.70	9.30
For tax audit, certification & tax representations	3.96	7.21
For other matters	0.45	0.04
Selling & distribution expenses		
Freight & forwarding expenses	1,904.64	1,373.37
Advertisement, publicity & sales promotion	65.48	50.70
Total	**7,064.80**	**5,523.66**

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ 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, 2023	Total
Remeasurement gains / (losses) on defined benefit plans	(24.97)
Share of other comprehensive income of associates and joint venture	0.79
Income tax effect	6.28
Total	**(17.90)**

During the year ended 31st March, 2022	Total
Remeasurement gains / (losses) on defined benefit plans	(15.47)
Share of other comprehensive income of associates and joint venture	0.57
Income tax effect	3.89
Total	**(11.01)**

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 31.03.2023	Year ended 31.03.2022
Profit for the year as per statement of profit & loss	(594.44)	(78.84)
Profit attributable to equity holders of the Company for basic earnings	**(594.44)**	**(78.84)**
	No. of Shares	
Weighted average number of equity shares in calculating basic EPS	14,000,000	14,000,000
Effect of dilution	84,797	-
Weighted average number of equity shares in calculating diluted EPS	**14,084,797**	**14,000,000**
Earnings per equity share		
Basic (in ₹)	(4.25)	(0.56)
Diluted (in ₹)	**(4.25)**	**(0.56)**
Face value of each equity share (in ₹)	10	10
Weighted average number of equity shares in calculating basic diluted EPS	14,084,797	14,000,000

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ 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 ₹ 265.04 lakhs (31st March, 2022: ₹ 257.13 lakhs).

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:	31.03.2023	31.03.2022
Defined benefit obligation at the beginning of the year	887.40	832.04
Current service cost	80.74	76.04
Past service cost	-	1.53
Interest cost	63.72	56.58
Benefits paid	(71.61)	(104.16)
Actuarial (gain) / loss on obligations-OCI	22.39	25.37
Defined benefit obligation at the end of the year	**982.64**	**887.40**

Changes in the fair value of plan assets are as follows:	31.03.2023	31.03.2022
Fair value of plan assets at the beginning of the year	329.19	160.29
Contribution by employer	166.00	159.00
Benefits paid	(19.29)	-
Expected interest income on plan assets	-	-
Actual gain / (loss) on plan asset	**16.73**	**9.90**
Fair value of plan assets at the end of the year	**492.63**	**329.19**

Reconciliation of fair value of plan assets and defined benefit obligation	31.03.2023	31.03.2022
Fair value of plan assets	492.63	329.19
Defined benefit obligation	982.64	887.40
Amount recognised in the balance sheet	**490.01**	**558.21**

Amount recognised in statement of profit and loss	31.03.2023	31.03.2022
Current service cost	80.74	76.04
Net interest expense	40.08	47.20
Past service cost	-	1.53
Amount recognised in statement of profit and loss	**120.82**	**124.77**

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

Amount recognised in other comprehensive income	**31.03.2023**	**31.03.2022**
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	(16.92)	(11.09)
Remeasurement return on plan assets excluding amount included in interest income	-	-
Actuarial (gain) / loss arising from experience adjustments	39.32	36.46
Amount recognised in other comprehensive income	**22.39**	**25.37**

The principal assumptions used in determining gratuity liability for the Company's plans are shown below:

	31.03.2023	**31.03.2022**
Discount rate	7.36%	7.18%
Expected rate of return on plan assets	7.36%	7.18%
Future salary increases	5.25%	5.25%
Attrition rate (up to 30 years)	3.00%	3.00%
Attrition rate (from 31 to 44 years)	2.00%	2.00%
Attrition rate (above 44 years)	1.00%	1.00%
Retirement age	58 years	58 years

A quantitative sensitivity analysis for significant assumption as at 31st March, 2023 and 31st March, 2022 is as shown below:

Gratuity plan	**Sensitivity level**		**Impact on defined benefit obligation**	
	31.03.2023	**31.03.2022**	**31.03.2023**	**31.03.2022**
Assumptions				
Discount rate	+0.50%	+0.50%	(45.21)	(41.72)
	-0.50%	-0.50%	48.64	44.96
Future salary increases	+0.50%	+0.50%	48.74	45.12
	-0.50%	-0.50%	(45.86)	(42.20)

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 ₹ 130.28 lakhs (31st March, 2022: ₹ 130.09 lakhs).

The expected maturity analysis of undiscounted gratuity is as follows:	**31.03.2023**	**31.03.2022**
Within the next 12 months (next annual reporting period)	74.65	66.70
Between 1 to 2 years	20.49	42.50
Between 2 to 3 years	40.08	24.90
Between 3 to 4 years	53.38	35.35
Between 4 to 5 years	40.75	44.43
Between 5 to 6 years	47.36	36.44
Over 6 years	705.93	637.11
Total expected payments	**982.64**	**887.42**

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 16.42 years (31st March, 2022: 16.44 years).

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

35. Employee Share-based Payments

Refer Note I for accounting policy on Employee Share-based Payments

The Company has formulated employee share-based payment schemes with the objective to reward the employees for their association and performance, to motivate them to contribute to the growth and profitability of the Company, to create a variable pay structure for the different employees, incentivize them in line with Company's performance, to retain and motivate senior and critical human resources, to promote loyalty to the Company and to achieve sustained growth and create shareholder's value by aligning the interests of the employees with the long-term interests of the Company

The shareholders of the Company by way of special resolution dated 16th September, 2022 approved the Plan authorizing the Committee to Grant not exceeding 7,00,000 Options to the eligible Employees in one or more tranches, from time to time, which in aggregate shall be exercisable into not more than 7,00,000 Shares of face value of ₹ 10 each fully paid up (which is 5% of the paid up capital of the Company as on date), with each such Option conferring a right upon the Employees to apply for one Share in the Company in accordance with the terms and conditions as may be decided under the Plan.

The maximum number of Options that may be granted per Employee and in aggregate shall be decided by the Committee depending upon the designation and the appraisal/ assessment process. However, the Grant of Options to identified Employees, shall not, at any time exceed the total Option pool size approved by the shareholders for ESOP 2022.

This Employee Stock Option Plan is called 'PPAP Employee Stock Option Plan 2022' ("ESOP 2022"/ "Plan") : The ESOP 2022 is established with effect from date of shareholders' approval i.e. 16th September, 2022 on which the shareholders of the Company have approved it and shall continue to be in force until (i) its termination by the Board/ Committee as per provisions of Applicable Laws, or (ii) the date on which all of the Options available for issuance under the ESOP 2022 have been issued and exercised, whichever is earlier.

The fair value at grant date of stock options granted during the year ended 31/03/2022 was ₹ 196.60 . The fair valuation has been carried out by an independent valuer by applying Black and Scholes Model. The inputs to the model include the exercise price, the term of option, the share price at grant date and the expected volatility, expected dividends and the risk free rate of interest for terms of options. The details of options granted, the key assumptions for Fair Value on the date of grant are as under:

Particulars	**ESOP 2022**
Grant Date	12.11.2022
Vesting period	18 months
Share price on grant date (₹)	205.50
Risk free interest rate (zero-coupon government issues of the country with a remaining term equal to the expected term of the option)	7.51%
Dividend Yield	0.73%
Expected Volatility (Standard Deviation) The measure of volatility used in the Black Scholes options Pricing models is the annualised standard deviation of the continuously compounded rates of return on the company's share over life of the options	42.05%
Fair Value of option on grant date	196.60
Average time to maturity of option	1.75
Exercise Price	10
Options outstanding at beginning of the year	-
Options granted during the year	89,288
Options forfeited/ lapsed during the year	-
Options vested during the year	-
Options exercised during the year	-
Options expired during the year	-
Options outstanding at year end	89,288
Options vested and exercisable at year end	-
Vesting conditions	As per policy approved by shareholders

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

36. 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 ₹ 20.99 lakhs (31st March, 2022: ₹ 11.78 lakhs). The future minimum lease payments under non-cancellable operating leases are as follows:

	As at 31.03.2023	As at 31.03.2022
Not later than one year	10.78	6.93
Later than one year and not later than five years	-	-
Later than five years	-	-
	10.78	6.93

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 ₹ 13.34 lakhs (31st March, 2022: ₹ 3.75 lakhs). The future minimum lease payments under non-cancellable operating leases are as follows:

	As at 31.03.2023	As at 31.03.2022
Not later than one year	13.34	48.31
Later than one year and not later than five years	-	-
Later than five years	-	-
	13.34	48.31

37. Commitments

(i) Retention charges and capital commitments (net of advances) are ₹ 473.64 lakhs (31st March, 2022: ₹ 417.34 lakhs)

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

38. Contingent liabilities	As at 31.03.2023	As at 31.03.2022
Contingent liabilities not provided for in respect of		
Letters of guarantees	1,593.94	2,832.00
Letters of credit	-	171.30
Income tax appeal		
For assessment year 2017-18	41.37	41.37
GST appeals (includes excise and sales tax demands)	73.27	114.10
Show Cause Notice for short payment of excise duty	18.95	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
Total	1,727.53	3,672.39

Notes:

(i) A demand of ₹ 41.37 lakhs has been raised for the assessment year 2017-18 for disallowance of 25% of royalty expense.The company has filed an appeal before Hon'ble CIT(Appeals) against the order of disallowance of the royalty amount.

(ii) The Central sales tax assessment for the assessment year 2004-05 was completed and a balance demand of ₹ 0.45 lakhs 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) The Joint commissioner, Commercial Tax,Noida has demanded CST of ₹5.24 lakhs on stock transfers of iron and steel for job work got done during the A.Y. 2011-12. We have filed an appeal before the Additional Commissioner (Appeals) against the said demand. The Additional Commissioner (Appeals) has granted stay of 50% of the said demand. We have filed an appeal against the order of Additional Commissioner (Appeals) before Commercial Tax, Tribunal (Noida, U.P.). The Tribunal has set aside the demand and passed the order on 17th February, 2023 in favour of the Company and directed the Dept. to refund the deposited amount.

(iv) The Joint Commissioner,Commercial Tax, Noida has demanded ₹31.16 lakhs towards shortfall of Form 'C ' and ₹4.43 lakhs towards CST on stock transfers of iron and steel for job work got done for the A.Y. 2012-13. We filed an appeal before the Additional Commissioner (Appeals), against the said demand. The Additional Commissioner (Appeals) granted stay of 50% of the total demand. We have filed an appeal against the order of Additional Commissioner (Appeals) before Commercial Tax Tribunal, Noida, U.P..The Tribunal has set aside the demand and passed the order on 29th March, 2023 in favour of the Company and directed the Dept. to refund the deposited amount.

(v) Demand of excise duty of ₹ 1.06 lakhs along with penalty of ₹ 1.06 lakhs 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.

(vi) Demand of excise duty of ₹ 35.36 lakhs along with penalty of ₹ 35.36 lakhs 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.

(vii) 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 lakhs for the period F.Y. 2013-14 to 30.06.2019 on the value of design / drawings / specifications supplied by Maruti Suzuki India Limited on FOC basis to the Company. ₹384.57 lakhs relates to B-45, B-206A and B-4, Kasna, Uttar Pradesh Plants and ₹25.47 lakhs relates to Pathredi plant. However, the jurisdiction of the case has been transferred from Gurugram, Haryana to the Additional Director General (Adjudiaction) DGGSTI, New Delhi on 26.07.2019.The Company has disputed the matter and filed the reply with the Additional Director General (Adjudication) of Goods & Service Tax Intelligence, New Delhi on 26.02.2021 to quash the notice. Being considered the reply, the Additional Director General (Adjudication), New Delhi has passed an order no.48-67/2022-CE dated 29-07-2022 and dropped the demand of ₹366.72 Lakhs for our B-45, B-206A & B-4, Kasna, U.P. Plants and also dropped the demand of ₹24.37 lakhs for our Pathredi Plant. Further, the Company has challenged the remaining demand of ₹17.85 lakhs for our U.P. Plants and ₹1.10 lakhs for our Pathredi Plant and filed an appeal before the Central Excise and Service Tax Appellate Tribunal (CESTAT), R K Puram, New Delhi on 15th November, 2022. The matter is pending in CESTAT, New Delhi.

(viii) RIICO has raised a demand of ₹103.57 lakhs towards additional cost of land due to delay in commencement of production activities at its plant at Pathredi. The Company had disputed the matter with RIICO. This demand has been settled availing the amnesty scheme of RIICO.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

39. 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	Mr. Bhuwan Kumar Chaturvedi, Independent Director
	4	Mr. Pravin Kumar Gupta, Independent Director
	5	Mrs. Celine George, Independent Director
	6	Mrs. Vinay Kumari Jain, Non-Executive Director
	7	Mr. Deepak Kumar Sethi, Independent Director (w.e.f 04.02.2023)
	8	Mr. Sachin Jain, Chief Financial Officer (w.e.f 10.05.2021)
	9	Mrs. Sonia Bhandari, Company Secretary (upto 18.09.2021)
	10	Mrs Shivani Sehgal, Company Secretary (w.e.f 12.11.21 to 25.04.2022)
	11	Ms. Pankhuri Agarwal, Company Secretary (w.e.f 13.05.2022)
(c) Related Parties in the group where common control exists	1.	Vinay and Ajay Jain Foundation
(d) Wholly owned subsidiaries	1.	Elpis Components Distributors Private Limited (formerly PPAP Automotive Systems Private Limited)
	2.	PPAP Technology Limited (formerly PPAP Technology Private Limited and PPAP Automotive Technology Private Limited)
(e) Other Related Party-Post employment benefit plan of the Company	1.	PPAP Automotive Limited Employees Group Gratuity Fund Trust

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	Wholly Owned Subsidiaries	Other Related Party-Post employment benefit plan of the Company	Total
CSR expenses paid						
Vinay and Ajay Jain Foundation	31.03.2023	60.94	-	-	-	60.94
	31.03.2022	59.00	-	-	-	59.00
Material / licence purchases						
PPAP Tokai India Rubber Private Limited	31.03.2023	-	563.99	-	-	563.99
	31.03.2022	-	621.23	-	-	621.23
Investment in equity shares						
PPAP Technology Limited	31.03.2023	-	-	-	-	-
	31.03.2022	-	-	749.93	-	749.93
Receipts for other services*						
PPAP Tokai India Rubber Private Limited	31.03.2023	-	120.77	-	-	120.77
	31.03.2022	-	116.94	-	-	116.94
Sales						
PPAP Tokai India Rubber Private Limited	31.03.2023	-	172.06		-	172.06
	31.03.2022	-	113.40	-	-	113.40
Contribution to fund: Employer's contribution towards gratuity fund						
PPAP Automotive Limited Employees Group Gratuity Fund Trust	31.03.2023	-	-	-	166.00	166.00
	31.03.2022	-	-	-	159.00	159.00

*Other services include management support fee, reimbursement of expenses, job work charges, interest received on loan given and rental income.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

Net outstanding balance:

Related Party	Period	Related Parties where common control exists	Joint Ventures	Wholly Owned Subsidiaries	Other Related Party- Post employment benefit plan of the Company	Total
Trade receivable						
PPAP Tokai India Rubber Private Limited	31.03.2023	-	67.32	-	-	67.32
	31.03.2022	-	-	-	-	-
Trade payable						
PPAP Tokai India Rubber Private Limited	31.03.2023	-	-	-	-	-
	31.03.2022	-	72.19	-	-	72.19
Contribution to fund: Employer's contribution towards gratuity fund						
PPAP Automotive Limited Employees Group Gratuity Fund Trust	31.03.2023	-	-	-	465.71	465.71
	31.03.2022	-	-	-	319.00	319.00

Details relating to remuneration of KMP & their relatives

Name of KMP	31.03.2023		31.03.2022	
	Short-term employee benefits	Sitting fees	Short-term employee benefits	Sitting fees
Mr. Ajay Kumar Jain	120.57	-	120.57	-
Mr. Abhishek Jain	74.77	-	127.77	-
Mrs. Vinay Kumari Jain	-	3.20	-	4.80

Details relating to remuneration of KMP other than MD / Manager / Whole Time Director

Name of KMP	31.03.2023		31.03.2022	
	Short-term employee benefits	Sitting fees	Short-term employee benefits	Sitting fees
Mr. Bhuwan Kumar Chaturvedi	-	6.40	-	6.00
Mr. Pravin Kumar Gupta	-	6.00	-	6.00
Mrs. Celine George	-	4.00	-	2.40
Mr. Deepak Kumar Sethi	-	1.20	-	-

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

40. 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.

41. 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	31.03.2023	31.03.2022
(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	1,048.94	917.30
	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.	-	-

---

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

42. Fair values measurements

(i) Financial instruments by category

Particulars	31.03.2023		31.03.2022	
	FVTPL	Amortized cost	FVTPL	Amortized cost
Financial assets				
Investments*				
- in mutual funds	445.48	-	269.74	-
- in unquoted preference shares	200.00	-	-	-
Other financial assets	-	668.84	-	689.95
Trade receivables	-	6,511.00	-	5,586.22
Cash and cash equivalents	-	82.60	-	44.01
Other balances with banks	-	11.38	-	13.22
Loans	-	8.37	-	0.52
Foreign exchange forward contracts	6.71		3.44	
Total financial assets	**6.71**	**7,282.18**	**273.18**	**6,333.92**
Financial liabilities				
Borrowings (non current)	-	7,992.02	7,888.92	7,888.92
Borrowings (current)	-	7,086.34	2,919.49	2,919.49
Lease Liabilities	-	90.99	-	161.16
Trade payables	-	6,325.52	-	4,858.05
Other financial liabilities (non current)	-	0.01	-	7.77
Other financial liabilities (current)	-	636.63	-	641.28
Total financial liabilities	**-**	**22,131.51**	**10,808.41**	**16,476.67**

*Investment value excludes investment in joint venture of ₹ 3,732.58 lakhs (31st March, 2022: ₹ 4,293.71 lakhs) and investment in wholly owned subsidiary companies of ₹1429.92 lakhs (31st March, 2022 ₹1,429.92 lakhs) which are shown at cost in balance sheet as per Ind AS 27 ‘ Separate Financial Statements’.

i) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair value.

ii) The fair values of the Company’s interest-bearing borrowings are determined by using effective interest rate (EIR) method using discount rate that reflects the issuer’s borrowing rate as at the end of the reporting period. The own non-performance risk as at 31st March, 2023 was assessed to be insignificant.

iii) Long-term receivables/payables are evaluated by the Company based on parameters such as interest rates, risk factors, individual creditworthiness of the counterparty and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

iv) The fair value of security deposit has been estimated using DCF model which consider certain assumptions viz. forecast cash flows, discount rate, credit risk and volatility.

v) The fair values of the investment in mutual fund has been determined based on net assets value (NAV) available in open market.

vi) The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

vii) Cost of unquoted preference shares has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. These investments in preference shares are not held for trading. Instead, they are held for medium or long-term strategic purpose.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

(ii) Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised 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: The fair value of financial instruments traded in active markets.This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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.

There have been no transfers between Level 1 and Level 2 during the financial year 2021-22 and 2022-23.

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, 2023

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Investments in mutual funds	31.03.2023	445.48	445.48	-	-
Unquoted investments in preference shares measured at fair value through profit and loss	31.03.2023	200.00	-	-	200.00
Foreign currency forward contracts	31.03.2023	6.71	-	6.71	-
Financial liabilities					
Foreign currency forward contracts	31.03.2023	-	-	-	-

(₹ in lacs)

Financial assets and liabilities measured at fair value - recurring fair value measurements for which fair values are disclosed at 31st March, 2022

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Investments in mutual funds	31.03.2022	269.74	269.74	-	-
Unquoted investments in preference shares measured at fair value through profit and loss	31.03.2022	-	-	-	-
Foreign currency forward contracts	31.03.2022	3.44	-	3.44	-
Financial liabilities					
Foreign currency forward contracts	31.03.2022	-	-	-	-

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

43. 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, 2023 and 31st March, 2022.

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, 2023 and 31st March, 2022.

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	Effect on profit before tax
31.03.2023		
INR	+50	(76.06)
INR	-50	76.06
31.03.2022		
INR	+50	(59.15)
INR	-50	59.15

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.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ 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	Effect on profit before tax
31.03.2023	+5%	(18.02)
	-5%	18.02
31.03.2022	+5%	(1.59)
	-5%	1.59
	Change in JPY rate	**Effect on profit before tax**
31.03.2023	+5%	(8.09)
	-5%	8.09
31.03.2022	+5%	(1.06)
	-5%	1.06
	Change in EURO rate	**Effect on profit before tax**
31.03.2023	+5%	(0.37)
	-5%	0.37
31.03.2022	+5%	(0.01)
	-5%	0.01

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 43. 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.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ 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.

Particulars	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31.03.2023					
Borrowings	359.01	2,686.21	7,546.30	109.49	10,701.01
Lease liabilities	14.14	72.09	34.45	-	120.69
Trade payables	6,325.52	-	-	-	6,325.52
Other financial liabilities	636.62	0.00	0.01	-	636.64
Total	**7,335.31**	**2,758.30**	**7,580.76**	**109.49**	**17,783.86**
Year ended 31.03.2022					
Borrowings	198.37	2,154.41	7,104.98	109.49	9,567.25
Lease liabilities	169.36	35.92	66.66	-	271.94
Trade payables	4,445.28	234.17	29.32	-	4,708.76
Other financial liabilities	732.96	91.72	459.25	-	1,283.94
Total	**5,545.96**	**2,516.22**	**7,660.21**	**109.49**	**15,831.88**

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.

44. 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, 2023.

	31.03.2023	31.03.2022
Borrowings (non current)	7,992.02	7,888.92
Borrowings (current)	7,086.34	2,919.49
Lease liabilities	90.99	161.16
Trade payables	6,325.52	4,858.05
Other financial liabilities (current)	636.63	641.28
Total debts	**22,131.50**	**16,468.90**
Less: Cash and cash equivalents	82.60	44.01
Net debts	**22,048.91**	**16,424.89**
Total equity	**29,474.79**	**30,388.35**
Total debt and equity	**51,523.70**	**46,813.24**
Gearing ratio (%)	**42.95%**	**35.18%**

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

45. 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:

	31.03.2023 Foreign currency	31.03.2023 Amount	31.03.2022 Foreign currency	31.03.2022 Amount
Foreign trade payables				
USD in lacs	4.41	360.42	0.42	31.85
JPY in lacs	259.92	161.88	32.30	21.26
EURO in lacs	0.17	7.42	-	-
Foreign trade receivables				
USD in lacs	-	-	-	-
JPY in lacs	-	-	-	-
EURO in lacs	-	-	-	-

46. 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.

47. 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.

48. Disclosure of movement in provisions during the year as per Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets':

Particulars	Balance as on 1st April, 2022	Provided during the year	Paid / Adjusted during the year	Balance as on 31st March, 2023
Provisions				
Gratuity	887.40	166.85	(71.61)	982.64
Accumulated leaves	166.11	85.46	(62.38)	189.19
Income Tax	121.42	119.60	(121.44)	119.58
Total	**1,174.93**	**371.91**	**(255.43)**	**1,291.41**

49. Dividends paid and proposed

	Particulars	Year Ended 31.03.2023	Year ended 31.03.2022
A	**Paid during the year**		
	Interim dividend for FY 2022-23 ₹ 1 per share (FY 2021-22: ₹ nil per equity share) of ₹10/- each	140.00	-
	Final dividend for FY 2021-22: ₹1.50 per share (FY 2020- 21 ₹ 1.00 per share)	210.00	140.00
		350.00	**140.00**
B	**Proposed for approval at the annual general meeting (not recognised as a liability)**		
	Final dividend for FY 2022-23 ₹0.50 per share (FY 2021-22: ₹ 1.50 per share)	70.00	210.00
		70.00	**210.00**

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognized as a liability as at year end.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

50. Disclosure under Ind AS 7 'Statement of Cash Flows'

Ind AS 7 requires 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.

	31.03.2022	Cash flows	Non-cash changes Fair value changes	31.03.2023
Long-term borrowings	8,630.36	162.02	133.50	8,925.88
Short term borrowings	386.40	4,140.24	-	4,526.64
Lease Liabilities	113.82	(52.50)	26.33	87.65
Total liabilities from financing activities	**9,130.58**	**4,249.76**	**159.83**	**13,540.17**

51. **Details of Corporate Social Responsibility (CSR) expenditure**	**31.03.2023**	**31.03.2022**
CSR obligation as per the provisions of Companies Act, 2013	23.68	51.77
Amount available for set off	(7.23)	-
a) Gross amount required to be spent during the year	16.45	51.77
b) Amount spent during the year ending on 31 March 2023:		
(i) Construction / acquisition of an asset	-	-
(ii) On purpose other than (i) above	60.93	59.00
Amount spent through related parties out of (i) or (ii) above:		
- Vinay and Ajay Jain Foundation (a related parties in the group where common control exists)	60.93	59.00
Vinay and Ajay Jain Foundation is engaged in following activities:		
i) Providing healthcare and meal to unprivileged and downtrodden children which help them to pursue their education.	5.00	-
ii) Making payment of school fees of unprivileged children.	10.23	9.56
iii) Providing study material to unprivileged children.	-	2.74
iv) Plantation for promoting environmental sustainability.	45.50	46.55
v) Administrative Expenses	0.21	0.15
Total	**60.94**	**59.00**
c) Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	N/A	N/A
d) Unspent CSR Account		
i) Opening Balance	-	-
ii) Contribution for current year	-	-
iii) Amount spent on ongoing projects during the year	-	-
iv) Closing balance to be spent in future years	-	-
e) Amount transferred to any fund specified under Schedule VII as per Section 135(5)	-	-

During the year under review the company has spent ₹ 44.49 lakhs (31st March, 2022: ₹ 7.23 lakhs) in excess of the amount required to be spent. The excess amount shall be carried forward against the requirement to spend up to immediate succeeding three financial years.

52. Details of transactions with Struck-off Companies	-	-
53. Details of Benami Property	-	-
54. Title deeds of Immovable Properties not held in name of the Company	-	-

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

(₹ in lacs)

55. Critical judgements, estimates and assumptions

1. **Impairment of property, plant and equipment**

   The Company assesses the carrying amount of property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. Where the carrying amount exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An impairment loss (if any) is recognised in the statement of profit and loss.

   While assessing the recoverable amount, the Company used the discounted cash flow approach including various significant estimates and assumptions such as forecast of future revenue, operating margins, growth rate and selection of the discount rates.

2. **Loss Allowance on trade receivables**

   An impairment analysis of trade receivables is performed at each reporting period based on the Company's history of collections, customer's creditworthiness, existing market conditions as well as forward looking estimates. Basis this assessment, the allowance for doubtful trade receivables as at March 31, 2023 is considered adequate.

56. Additional disclosure / Regulatory Information as required by Notification no. GSR 207(E) dated 24.03.2021 which are not covered in any of the notes above

(i) No proceedings have been initiated or pending against the company for holding any benami property under benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(ii) Reconciliation of quarterly statement of current assets filed with banks or financial statements

There are no material variations between the quarterly statement of current assets filed during the year with the banks and the books of accounts.

(iii) Wilful Defaulter

No bank has declared the company as "wilful defaulter".

(iv) Registration of charges or satisfaction with Registrar of Companies:

All applicable cases where registration of charges or satisfaction is required with Registrar of Companies have been done. No registration or satisfaction is pending at end of financial year 2022-2023.

(v) Registration of charges or satisfaction with Registrar of Companies:

No scheme of arrangements has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.

(vi) Utilisation of Borrowed funds and share premium:

Particulars	Description
No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;	No such transaction has taken place during the year
No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries	No such transaction has taken place during the year

Notes to Consolidated Financial Statements

for the year ended 31st March, 2023

(vii) Undisclosed income

There is no such income which has not been disclosed in the books of accounts. No such income is surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961.

(viii) Details of Crypto Currency or Virtual Currency

The Company does not deal in Crypto Currency. Therefore further disclosures are not given

In terms of our report of even date annexed
For O P Bagla & Co LLP
Chartered Accountants
FRN No. 000018N / N500091

Sanjeev Agarwal
Partner
Membership No: 408316

Place: Noida
Date: 19th May, 2023

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

Sachin Jain
Chief Financial Officer

Pankhuri Agarwal
Company Secretary

Place: Noida
Date: 19th May, 2023

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

(₹ in lacs)

S. No.	1	2
Name of the subsidiary	Elpis Components Distributors Private Limited	PPAP Technology Limited
Date of becoming subsidiary	04.10.2019	10.12.2019
Start date of accounting period of subsidiary	01.04.2021	01.04.2021
End date of accounting period of subsidiary	31.03.2022	31.03.2022
Reporting currency	INR	INR
Share capital	50.00	1,379.92
Reserves & surplus	111.99	(925.15)
Total assets	444.41	4863.98
Total liabilities	444.41	4863.98
Investments	-	-
Turnover	1608.41	1394.37
Profit before taxation	110.68	(758.35)
Provision for taxation	34.24	171.40
Profit after taxation	76.44	(586.95)
Proposed dividend	-	-
% of shareholding	100.00	100.00

1 Names of subsidiaries which are yet to commence operations : Nil
2 Names of subsidiaries which have been liquidated or sold during the year : Not applicable

(₹ in lacs)

Part "B": Associates and Joint Ventures

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

S. No.	Name of Associates / Joint Ventures	Joint Venture PPAP Tokai India Rubber Private Limited
1	Latest audited balance sheet date	31.03.2023
2	Date on which the associate or joint venture was associated or acquired	26.06.2013
3	Shares of associate / joint ventures held by the Company on the year end No.	4,85,00,000
	Amount of Investment in associates / joint venture	4,850.00
	Extend of holding %	50%
4	Description of how there is significant influence	Due to shareholding
5	Reason why the associate / joint venture is not consolidated	Not applicable
6	Net worth attributable to shareholding as per latest audited balance sheet	3529.67
7	Profit / loss for the year	
	i) Considered in consolidation	(761.93)
	ii) Not Considered in consolidation	(761.93)

1. Associates or joint ventures which are yet to commence operations: Not applicable
2. Associates or joint ventures which have been liquidated or sold during the year: Not applicable

For and on behalf of the Board of Directors

Place: Noida
Date: 19th May, 2023

Ajay Kumar Jain
Chairman & Managing Director
DIN: 00148839

Abhishek Jain
CEO & Managing Director
DIN: 00137651

NOTES

NOTES

NOTES

NOTES

NOTES

NOTES

Registered Office
54, Okhla Industrial Estate,
Phase-III, New Delhi-110020
CIN: L74899DLI995PLC073281