



PPAP Automotive Limited



Annual Report 2020-21



Taking Challenges, Together

CORPORATE INFORMATION

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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
(w.e.f. 16th April, 2020)

Non-executive Director
Mrs. Vinay Kumari Jain

Committees of the Board

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

Nomination and Remuneration
Mr. Pravin Kumar Gupta-Chairman
Mr. Bhuwan Kumar Chaturvedi
Mrs. Vinay Kumari Jain

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

Corporate Social Responsibility
Mr. Bhuwan Kumar Chaturvedi-Chairman
(w.e.f. 4th November, 2020)
Mr. Abhishek Jain
Mrs. Vinay Kumari Jain

Chief Financial Officer

Mr. Sachin Jain
(w.e.f. 10th May, 2021)

Company Secretary and Compliance Officer

Mrs. Sonia Bhandari

Website

www.ppapco.in

Registered Office

54, Okhla Industrial Estate,
Phase-III, New Delhi-110020
CIN: L74899DLI995PLC073281
Tel. No.: +91-11-26311671 / 26910777

Corporate Office

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

Auditors

- M/s. O.P. Bagla & Co. LLP
(Statutory Auditors)
- M/s. Rakesh Singh & Co.
(Cost Auditors)
- 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-206A, 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 (old survey no. 220),
Village Ukhlod, Taluk Viramgam,
Ahmedabad- 382150, Gujarat

BOARD OF DIRECTORS



MR. BHUWAN KUMAR CHATURVEDI

Independent Director



MR. PRAVIN KUMAR GUPTA

Independent Director



MR. AJAY KUMAR JAIN

Chairman and Managing Director



MRS. CELINE GEORGE

Independent Director



MRS. VINAY KUMARI JAIN

Non-Executive Director



MR. ABHISHEK JAIN

*Chief Executive Officer and
Managing Director*

CHAIRMAN'S MESSAGE



My Dear Shareholders,

At the outset, I hope all of you are safe and healthy.

2020 was an extraordinary year by any measure. It was a year of global pandemic which led to a global slowdown. Governments across the world had a daunting task to contain the spread of the virus. India too witnessed nationwide lockdown coupled with multiple state wise restrictions. It was a year in which each one of us faced personal and professional challenges. It was a time when some of us were disproportionately hurt emotionally as well as financially. And it was also a time, when companies discovered their strengths and weaknesses and what they should become in the years ahead to create a brighter future for their stakeholders.

We, in India, are fortunate that we have a very strong pharma sector. While most of the developing countries around the world are struggling with a paucity of vaccines, the Government of India is targeting that most of us will be vaccinated before the end of this year.

We, at PPAP, strongly believe that the health and safety of our employees is our greatest priority. We took all the appropriate measures such as - social distancing, wearing masks, safety guards, sanitization, etc. in our workplaces to prevent COVID-19 infections. All our employees have diligently followed COVID-19 protocols resulting in minimum infections during the second wave. We have already vaccinated our entire workforce with the single dose and I am happy to share with you that soon all the employees of the Company as well as its subsidiaries, along with their families, will be fully vaccinated. I am proud to say that during this entire COVID-19 crisis, our employees stood shoulder to shoulder with each other and the Company, displayed great resilience and camaraderie while focusing on meeting the customers' expectations.

India is now open from lockdown, and economy is on a path of recovery. The second wave of COVID-19 has receded with

the vaccination drive picking up its pace. India's gross domestic product (GDP) witnessed a contraction of 7.3% in FY21 (Source: Ministry of Statistics and Programme Implementation). This is the first full-year contraction in the Indian economy in the last four decades since 1979-80, when GDP had shrunk by 5.2%. However, according to RBI, India's GDP is expected to grow by 9.5% in FY22. Our economic activity is expected to be buoyant due to various government initiatives and better than normal monsoon.

India's Auto sector appears to be recovering fast from the pandemic shock. There is a visible preference towards personal mobility with the public due to which it is assumed that the demand for vehicles will be strong as well as sustainable. Domestic vehicle sales for FY21 stood at 18.62 million units, out of which passenger vehicle sales reported at 2.71 million units (Source:SIAM). The Union Budget has outlined voluntary vehicle scrappage policy which will further boost the demand for vehicles. Recently revitalized FAME-II policy will surely act as a catalyst to boost the demand for electric vehicles.

Your Company's progress has been a function of continual investments in our people, our systems, and products, in good and bad times, to build our capabilities.

We are constantly investing in technology, nurturing talent, fully satisfying regulators, and continually improving risks, governance, and internal controls to serve our customers and stakeholders better.

The basis of our success is our people. Every crisis presents itself with opportunities. We utilized the current pandemic to revamp our organization. Today, we are more agile, leaner, smarter, more cost efficient and capable of dealing with the uncertainties and to grow faster.

Moving on to our financial performance at a consolidated level, we have delivered a steady performance amidst all the challenges due to COVID-19 pandemic. H1FY21 was very challenging as the Company faced many challenges but we sailed through them successfully. H2FY21 witnessed growth and good demand. We were able to meet all of our customers' requirement despite high commodity prices and logistics issues. Your Company reported a revenue of ₹ 322.20 crores in FY21 against ₹ 359.51 crores in FY20. EBITDA stood at ₹ 32.90 crores in FY21 as compared to ₹ 50.10 crores in FY20. EBITDA margin for the year was at 10.4%. PAT stood at ₹ 2.09 crores over previous year. The Board has recommended a final dividend of ₹ 1 per share of ₹ 10 each for FY21.

Despite, the challenges, your Company is continuing with its shareholder friendly policy with the distribution of 28% of the Company profit for FY21.

With a view to leverage our organic as well as the inorganic growth, we have restructured our organisation in line with our de-risking strategy, expanding our customer base, increasing



कर्मण्येवाधिकारस्ते मा फलेषु कदाचन ।
मा कर्मफलहेतुर्भूर्मा ते सङ्गोऽस्त्वकर्मणि ॥ 47 ॥

our market share, and adding new products.

Your Company has commercialised its tooling business segment along with technology upgradation and capacity enhancement.

Your Company has established two wholly owned subsidiaries, one with a focus on aftermarket parts and premium auto accessories, and second, with the focus on providing solutions for Electric mobility segment as well as energy storage systems starting with customized Lithium-ion battery packs as well as Plastic and Rubber Extrusion products and Plastic Injection products.

Sustainability is at the heart of our mission. We are taking suitable measures to reduce our carbon footprint, reduce wastages from our operations and promote biodiversity. Our focus is to implement Global Reporting Initiative (GRI) guidelines in all our day to day working.

Through our CSR activities, we are consistently focusing on Environment, Education and Health. We are supporting various biodiversity parks in New Delhi to plant and sustain native trees to improve the environmental conditions.

In the end, I would also like to thank all of our employees for their tireless efforts and dedication leading to our success.

On behalf of the entire Board of Directors and the management team, I would like to thank all our stakeholders for their trust and support.

We will continue to create long-term sustainable value for our shareholders, as well as stakeholders.

Thank you.

Ajay Kumar Jain
Chairman & Managing Director



MANAGEMENT TEAM



Ramesh Chander Khanna
President &
Chief Operating Officer



Sachin Jain
Chief Financial Officer



Mohanan Pillai
Head- Engineering and Research
& Technical Development



Deepak Singh
Head- Supply Chain Management



Maloy Mukhopadhyay
Head- Automotive Business
Development



Sanjeev Arora
Head- Business Sustainability



Aseem Yadav
Head- Administration



Deepesh Sharma
Head- Human Development



Anil Sharma
Head-Automotive



Madhusudana Krishnaswamy
Regional Head- Automotive
(South & West)



Avinash Tripathi
Regional Head- Automotive
(North & North West)



Kamal Behl
Head- Automotive (Rubber) (PTI)



Kapinjal Tripathi
Head- Commercial Tooling



Manoj Kumar
Head- Electric Vehicle
Component (PTech)

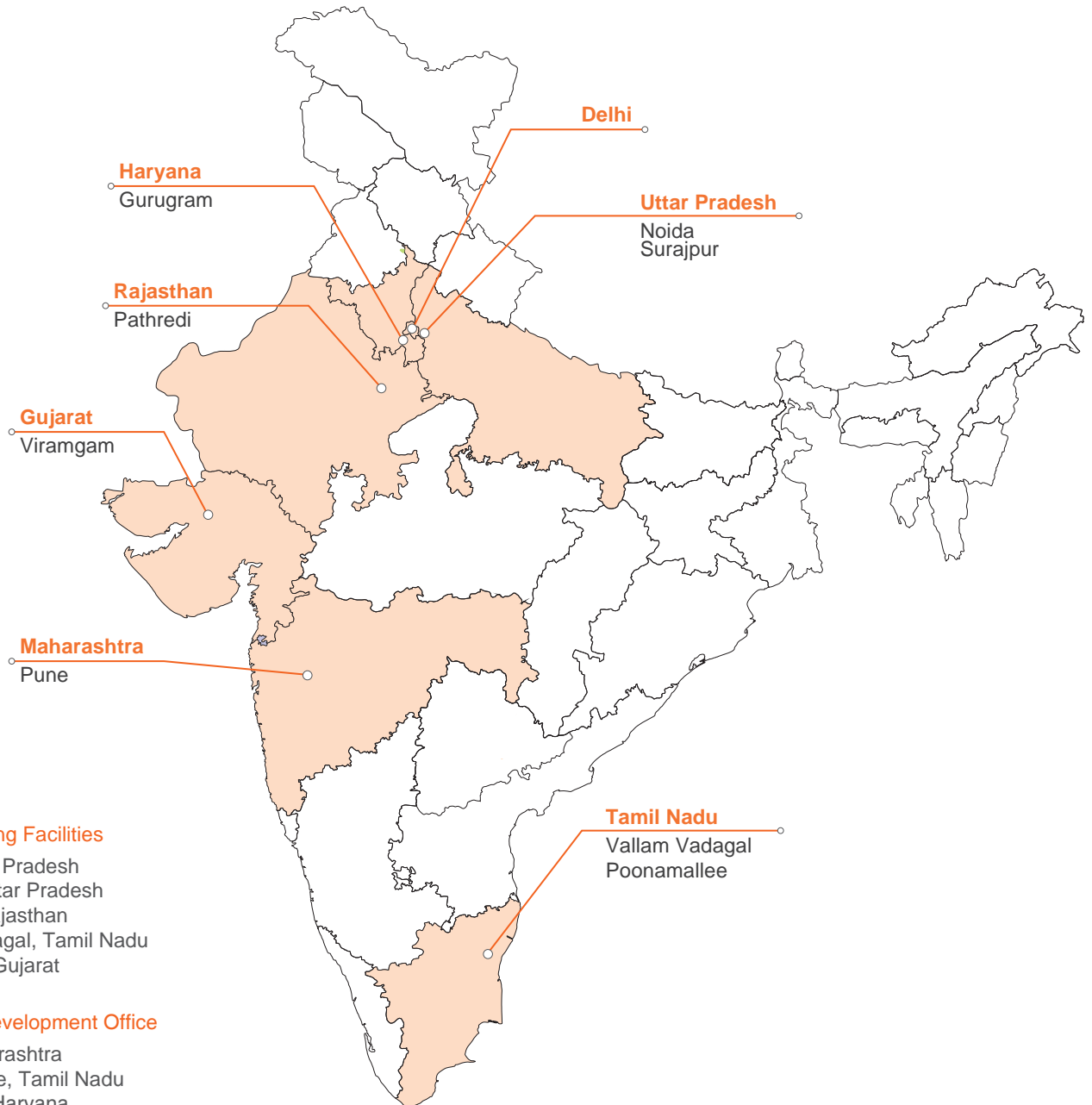


Niraj Kalra
Head-Aftermarket



Sonia Bhandari
Company Secretary

MANUFACTURING FACILITIES



Manufacturing Facilities

Noida, Uttar Pradesh
 Surajpur, Uttar Pradesh
 Pathredi, Rajasthan
 Vallam Vadagal, Tamil Nadu
 Viramgam, Gujarat

Business Development Office

Pune, Maharashtra
 Poonamallee, Tamil Nadu
 Gurugram, Haryana

Commercial Tool Room

Surajpur, Uttar Pradesh

Joint Venture Unit

Surajpur, Uttar Pradesh

Subsidiary Units

Delhi
 Noida, Uttar Pradesh

Not to scale - for illustration purpose only

ESTEEMED CLIENTELE

Passenger Vehicle



Two Wheeler



Battery Packs - Storage System



Commercial Vehicle



Pail Containers



Tooling



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: +91-120-2462552 / 53

Website: www.ppapco.in; E-mail Id: investorservice@ppapco.com

NOTICE

NOTICE is hereby given that the 26th Annual General Meeting ("AGM") of the members of PPAP Automotive Limited ("Company") will be held through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), on Friday, 3rd September, 2021 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, 2021, 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, 2021, together with the report of the Auditors' thereon.
2. To declare final dividend of ₹ 1/- (10%) per equity share (face value of ₹ 10/- each) for the financial year ended 31st March, 2021.
3. To appoint a Director in place of Mr. Abhishek Jain (DIN: 00137651), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. **Re-appointment of Mr. Abhishek Jain (DIN: 00137651), Chief Executive Officer and Managing Director of the Company.**

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 Sections 196, 197 and 203 of the Companies Act, 2013 ("Act"), Schedule V and other applicable provisions, if any, of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Regulation 17(6) (e) and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the members of the Company be and is hereby accorded for the re-appointment and terms of remuneration of Mr. Abhishek Jain (DIN: 00137651) as Chief Executive Officer and Managing Director of the Company for a period of three years from 1st April, 2022 to 31st March, 2025, liable to retire by rotation, upon the terms and conditions set out in the explanatory statement annexed to the Notice convening this AGM.

RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits of the Company in any financial year during the period of three years from the date of appointment

i.e. 1st April, 2022 to 31st March, 2025, the payment of salary, commission, perquisites and allowances shall be in accordance with Schedule V of the Companies Act, 2013 or any modifications or re-enactment thereto for the time being in force.

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."

5. **Re-appointment of Mrs. Celine George as an Independent Director of the Company.**

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 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule IV of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 as amended from time to time (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications or re-enactment thereof for the time being in force) and based on the recommendations of the Nomination and Remuneration Committee, the approval of the members of the Company be and is hereby accorded for re-appointment of Mrs. Celine George (DIN: 02563846), as an Independent Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and is eligible for re-appointment as an Independent Director of the Company to hold office for second term of five consecutive years, not liable to retire by rotation, with effect from 16th April, 2022 up to 15th April, 2027.

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."

6. **Continuation of directorship of Mr. Bhuwan Kumar Chaturvedi as an Independent Director.**

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

"RESOLVED THAT pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, of the Companies Act, 2013 and rules framed thereunder, approval of the members of

the Company be and is hereby accorded to continue and hold office of Independent Director of the Company by Mr. Bhuwan Kumar Chaturvedi (DIN: 00144487), who will attain 75 years of age on 6th March, 2023, till his current tenure of re-appointment i.e. upto 25th December, 2023, not liable to retire by rotation.

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.”

7. Ratification of remuneration of the Cost Auditor for the financial year 2021-22.

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

“**RESOLVED THAT** pursuant to 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 or variation thereto, the members hereby ratify the remuneration of ₹ 1,60,000 (Rupees One lac sixty thousand only) plus applicable taxes and re-imbursment of out-of-pocket expenses payable to M/s Rakesh Singh & Co. (Firm Registration No. 000247), 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 ending 31st March, 2022.

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: New Delhi
Date: 10th May, 2021

Sonia Bhandari
Company Secretary

Notes:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular no. 02/2021 dated 13th January, 2021 read with General Circular nos. 14/2020, 17/2020 and 20/2020 dated 8th April, 2020, 13th April, 2020 and 5th May, 2020, respectively (“MCA Circulars”) and the Securities and Exchange Board of India (“SEBI”) vide its circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 (“SEBI Circulars”) permitted the holding of AGM through VC or OAVM without the physical presence of members at a common venue. In

compliance with the provisions of the Companies Act, 2013 (“Act”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC / OAVM only, 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. 4 to 7 given above as special business in the 26th AGM, as they are unavoidable in nature. Explanatory statement pursuant to the provisions of Section 102 of the Act, in respect of item no. 4 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 26th AGM. Hence, proxy form and attendance slip are not annexed to this notice.
4. Corporate / institutional shareholders are entitled to appoint authorised 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 scrutiniser at e-mail ID chetan.gupta@apacandassociates.com with a copy marked to the Company at investorservice@ppapco.com, authorising 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 view of the outbreak of COVID-19 pandemic, owing difficulties involved in dispatching of physical copies of the annual report and in line with the MCA Circulars and SEBI Circulars, the annual report including notice of the 26th 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”).

Further, in terms of the applicable provisions of the Act, Listing Regulations, read with the MCA Circulars and SEBI Circulars, the annual report including notice of the 26th 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. Since this AGM is being held through VC / OAVM, the route map for this AGM is not annexed with this notice.
7. 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.
8. 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.