



PPAP AUTOMOTIVE LIMITED



ANNUAL
REPORT
2021-22



TAKING CHALLENGES, TOGETHER



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» 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

Non-Executive Director

Mrs. Vinay Kumari Jain

Committees of the Board

Audit

Mr. Pravin Kumar Gupta- Chairman
(w.e.f. 11th February, 2022)

Mr. Bhuwan Kumar Chaturvedi
Mr. Abhishek Jain

Nomination and Remuneration

Mrs. Celine George- Chairperson
(w.e.f. 11th February, 2022)

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
(w.e.f. 10th May, 2021)

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)
- 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-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

» Board Of Directors

MR. AJAY KUMAR JAIN

Chairman and Managing Director



MR. BHUVAN KUMAR CHATURVEDI

Independent Director



MR. PRAVIN KUMAR GUPTA

Independent 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



Dear Stakeholders,

It is my pleasure, once again, to be in your midst and I hope all of you are in good health and spirits.

Let me begin by sharing with you my perspective of the current situation around us.

The second wave of the Covid-19 pandemic has ebbed leaving behind a trail of pain and suffering. Safety of our employees and their families was our main concern. Your company took all steps to provide a safe working environment and full support to all our employees during this turbulent period. My heart goes out to all the families who have been impacted by this health crisis.

Our second priority was to ensure that our customers lines run smoothly and there is no default from our side.

I am thankful to all our employees for their unrelenting support for keeping the company operations smooth and for meeting all the demands of our customers, despite the odds.

Due to various disruptions, the automotive industry has been facing high raw material prices, logistic issues, and semiconductor shortage, as the demand for semiconductors shot up due to Covid.

Our world is currently plagued with multiple challenges.

Global economy is facing risk of widespread stagflation and is expecting a slowdown.

A huge challenge today is the Russia Ukraine conflict. It has resulted in high prices of petroleum products, edible oils, food, energy shortages, high energy prices, supply chain disruptions, etc.

India too may have to face the short-term challenge of slowing growth and higher inflation.

On the positive side, India's manufacturing is set for long-term growth and gain a major share of global manufacturing output aided by:

- Infrastructure improvements which are helping drive down macro costs and improve reliability of supplies, and
- A supportive global environment – as various countries are looking to broad base supply sources away from China, and
- India's increasing focus on import substitution.

According to the changing times, your company is being re-structured for both organic and inorganic growth. In the automotive space, your company has been continuously adding new customers, more value-added products and expanding our operations, near to, the customers to meet their current & future needs.

We have increased our market share with our existing customers and started supplies to new customers. Your company has been regularly appreciated by our customers for our customer centric approach.

» Chairman's Message

In the EV vertical, we have setup lithium-ion battery lines for 2/3 Wheelers. This vertical is helping us in increasing the EV customers interest for development of plastic injection moulding tools, as well as plastic, and rubber parts for their vehicles. It has facilitated in making your company a big solution provider.

Leveraging our tooling facilities, your company has added new customers in automotive segment, white goods, and medical segment. We have established ourselves as one of the leading manufacturers of plastic injection mould and tooling in the country.

New ventures in aftermarket business have been getting good traction. We have been expanding our footprint across India to capitalise on the aftermarket demand.

Your company's sustainability performance is closely monitored.

At PPAP, we do more than comply with all statutory requirements set by the regulatory authorities in the true letter and spirit. We have set our foot on our ESG journey with the objective of running our operations sustainably and responsibly.

Your company's first Sustainability report for FY20 ranked seventh among Asian Sustainability Reports in the category of first-time reporting. The report defines the initiatives which your company has taken in environment, social and governance

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.

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.

Going forward, the demand for our products is improving owing to preference for personal mobility.

Our customers are launching new models and are making efforts to achieve record production.

It is expected that the semiconductor shortage, supply chain issues, along with high raw material prices, would ease out soon leading to our improved financials.

During FY22, revenue of your Company has grown by 27.4% on standalone basis and 30.9% on a consolidated basis. The consolidated EBITDA witnessed an increase of 17% during FY22 and stood at ₹ 38.6 Crores.

Your Board has recommended a final dividend of 15%, which is ₹1.5 per equity share.

Before I conclude, I would like to thank all our stakeholders for their cooperation and support.

I would like to start by thanking you, my dear shareholders, for your trust and confidence, to my colleagues in the Board for their relentless support and for always sharing their wisdom with us, to my customers due to whom, we exist; to my employees who never leave any stone unturned, and to my suppliers for their uninterrupted supplies.

Once again, a big thank you to everyone.

Ajay Kumar Jain

Chairman & Managing Director



» Facilities



Not to scale - for illustration purpose only

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

» Esteemed Clientele

 HONDA	 SUZUKI	 POLYPLASTICS INDUSTRIES (I) PVT. LTD.	 Sankar Prasad India Pvt. Ltd.	 ORVAL GROUP Since 1972
 TOYOTA	 KIA	 magnacorp	 ROKI	 MD BIOCOALS (P) LTD
 Mahindra	 HYUNDAI	 HSI AUTO	 UNO MINDA	
 RENAULT NISSAN	 faurecia	 motherson	 JRG AUTOMOTIVE INDUSTRIES INDIA PVT. LTD.	 HAVELLS
 ŠKODA VOLKSWAGEN ŠKODA Volkswagen India Private Limited	 AIS Asahi India Glass Ltd.	 T-Tech	 SML ISUZU	 For a Better Tomorrow AISIN GROUP
 ISUZU	 TOYOTA BOSHOKU	 SAINT-GOBAIN	 gridbols	 IAC International Automotive Components
 TATA TATA AUTOCOMP SYSTEMS LIMITED	 MTI MOTORBOARD TECHNOLOGY INDIA PRIVATE LIMITED	 Unitex Floors Leader in Home Comforts	 ASHOK LEYLAND	
 Romsons	 Henkel	 HYUNDAI MOBIS	 DICO paints Guarantee of Excellence	 Amber
 ARIHANT INDUSTRIES		 Yanfeng Global Automotive Interiors		 gridbols
 KRISHNA	 NAITTAL INDUSTRIES	 HELLA		 JSG Japan Motor
 NOVARES	 V-GUARD			
 EV CUSTOMERS	 MARUTI SUZUKI Count on us		 GEMOPAI #feel the future	 MOTOVOLT
	 EVR4	 Go EV	 NEWTON VEHICLES	 Exicom TELE-SYSTEMS

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 27th Annual General Meeting ("AGM") of the shareholders of PPAP Automotive Limited ("Company") will be held through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), on Friday, 16th September, 2022 at 11:30 A.M. to transact the following business.

ORDINARY BUSINESS

- To receive, consider and adopt:
 - The audited standalone financial statements of the Company for the financial year ended 31st March, 2022, together with the reports of the Board of Directors and Auditors' thereon; and
 - The audited consolidated financial statements of the Company for the financial year ended 31st March, 2022, together with the Report of the Auditors thereon.
- To declare final dividend of ₹ 1.5/- (15%) per equity share (face value of ₹10/- each) for the financial year ended 31st March, 2022.
- To appoint a Director in place of Mrs. Vinay Kumari Jain (DIN: 00228718), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

- Waiver of excess remuneration paid to Mr. Ajay Kumar Jain, Chairman and Managing Director of the Company during the financial year 2021-22.**

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 ₹ 76.48 Lakhs (Rupees seventy-six lakh and forty-eight thousand only) paid to Mr. Ajay Kumar Jain (DIN: 00148839), Chairman & Managing Director of the Company for the financial year 2021-22, 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 are 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."

- Waiver of excess remuneration paid to Mr. Abhishek Jain, Chief Executive Officer and Managing Director of the Company during the financial year 2021-22.**

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 ₹ 76.48 Lakhs (Rupees seventy-six lakh and forty-eight thousand only) paid to Mr. Abhishek Jain (DIN: 00137651), Chief Executive Officer & Managing Director of the Company for the financial year 2021-22, 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 are 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."

- Approve employee stock option scheme**

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 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI (SBEB) Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (all together referred to as "Applicable Law"), the Memorandum and Articles of Association of the Company and any other applicable and prevailing statutory guidelines/ circulars in that behalf and subject to such other approval(s), consent(s) permission(s) and sanctions as may be necessary from any appropriate regulatory authorities/ institutions, if any, and such conditions and modifications as may be prescribed or imposed by appropriate regulatory authorities / institution(s) while granting such approval(s), consent(s), permission(s) and sanction(s), consent of the members of the Company be and

is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall include the, Nomination & Remuneration Committee or any other Committee, which the Board has constituted and empowered by the Board for the purpose, hereinafter referred to as “the Committee”), to adopt and implement “PPAP Employee Stock Option Scheme 2022” (“ESOP 2022”/ “Scheme”) and to grant, offer and issue, in one or more tranches, not exceeding 7,00,000 (Seven Lakhs) Options which shall be (5%) of the Paid-up Capital of the Company as on date, to such (i) permanent employees of the Company whether working in or outside India (ii) directors of the Company whether whole-time directors or otherwise excluding the Independent Directors, except (a) a promoter or a person who belongs to promoter group (b) director who holds directly or indirectly more than 10% of the issued capital of the Company, and an employee as defined in (i) and (ii) above of a group company including subsidiary or its associate company, in India or outside India (hereinafter referred to as “Eligible Employees”), who are eligible to participate, as per the applicable laws and as may be decided by the Board/ Committee, under the scheme exercisable into equivalent number i.e. not exceeding 7,00,000 (Seven Lakhs) equity shares in aggregate at such price and on such terms and conditions as may be determined by the Board/Committee in accordance with the Applicable Law as may be prevailing from time to time.

RESOLVED FURTHER THAT in case of any corporate action(s) such as sub-division, consolidation of shares, rights issues, bonus issues, reorganisation of capital structure of the Company and others, if there is any change in the total number of paid-up equity shares, then the above ceiling of equity shares and the exercise price payable by the Employees shall be deemed to be increased or decreased in line with such change in total paid-up equity shares and/or face value thereof.

RESOLVED FURTHER THAT the new equity shares to be issued and allotted by the Company in the manner aforesaid shall rank pari-passu in all respects with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take requisite steps for listing of equity shares allotted under the Scheme, from time to time, on the stock exchanges where the equity shares of the Company are listed.

RESOLVED FURTHER THAT the Company shall conform to the applicable accounting policies, guidelines or accounting standards as may be applicable from time to time, including the disclosure requirements prescribed therein.

RESOLVED FURTHER THAT the number of Employee Stock Options that may be granted to any Eligible Employee, in any financial year and in aggregate under the ESOP 2022 shall be less than 1% of the issued equity share capital (excluding outstanding warrants and conversions) of the Company.

RESOLVED FURTHER THAT the Board of Directors may authorise Nomination & Remuneration Committee (“Committee”), to formulate, evolve, decide upon and bring into effect ESOP 2022, on such terms and conditions as it

deems necessary and to make any change(s), modifications, variations, revisions or suspend or terminate the Scheme not prejudicial to the interests of the Identified Employees and to do all such acts, deeds, matters and things as it may in its absolute discretion deems fit for such purpose and also settle any issues, questions, difficulties or doubts that may arise in this regard.

RESOLVED FURTHER THAT the Board and/or any person as authorised by the Board be and are hereby severally authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle all questions, difficulties or doubts that may arise in relation to the implementation, administration and evolution of ESOP 2022.”

7. Approve and extend benefits of PPAP Employee Stock Option Scheme 2022 to the employees of subsidiary/ associate companies (including joint venture 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 42, 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment of the Act (the “Act”), for the time being in force and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, including any modifications thereof or supplements thereto (“the Regulations”) and in accordance with the provisions of the Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “**the Board**” which term shall be deemed to include the Nomination and Remuneration Committee), consent of the members of the Company be and is hereby accorded to the Board to extend the benefits of “PPAP Employee Stock Option Scheme 2022” (“ESOP 2022”/ “Scheme”) proposed in Resolution Number 6 in this Notice to the Employees, whether working in India or out of India and Directors whether Whole-time Directors or not, of the subsidiary /associate company(ies) of the Company unless they are prohibited from participating in the Scheme under any law or regulations for the time being in force, on such terms and conditions as may be decided by the Board/Committee in accordance with the applicable Law as may be prevailing from time to time.

RESOLVED FURTHER THAT for the purpose of creating, offering, issuing, allotting and listing of the securities, the Board be and is hereby authorized on behalf of the Company to make any modifications, changes, variations, alterations or revisions in the Scheme from time to time or to suspend, withdraw or revive the Scheme from time to time, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees.

RESOLVED FURTHER THAT the Board and/or any person as authorised by the Board be and are hereby severally