

Abhishek Jain, CEO & MD, PPAP Automotive

India Infoline News Service | Mumbai | August 14, 2017 11:28 IST



Abhishek Jain is the Chief Executive Officer and Managing Director of **PPAP Automotive**. He holds a Bachelor degree in Industrial Engineering from Purdue University, US. After gaining work experience in US, he joined the company in 2003. Since then, he has been managing all the operations of the company.

He has been an active executive of the Toyota Kirloskar Supplier Association for over 7 years. He is also a member of the executive committee of the Honda Suppliers Club.

PPAP is a leading manufacturer of Automotive Sealing Systems, Interior and Exterior Automotive parts in India. The company's state of the art manufacturing facilities are located in Noida, Chennai and Pathredi (Rajasthan). All the company's plants are TS 16949, ISO 14001 and OHSAS 18001 certified and equipped with the latest technologies for plastic extrusion as well as injection moulding. The company manufactures over 500 different quality products.

In an interaction with **IIFL**, **Abhishek Jain** said, "We are extensively exploring all strategies which meet our objective of achieving profitable growth."

Has GST implementation impacted company's overall functioning and supply chain? Will you throw some light on the same?

The biggest change that has come about is that all expenses towards business furtherance barring a few items that are specifically blocked are now eligible for Input Tax Credit. As a result, the cost of production has come down. This is expected to increase the growth rate of our industry. While the transition is obviously challenging, the process can be said to have become simplified. On the whole, we are very positive about this significant reform.

What kind of growth do you envisage for the company?

We have charted out a path of continuous improvement and Muda elimination for the company. In that direction, our work in the Financial Year 2016-17 brought creditable results with improvement in most financial parameters including Sales Growth, EBITDA margin, ROCE etc. We are continuing on our journey of 'Built in Quality' to achieve high standards of product quality, as well as, cost optimisation, across all our plants. The company is on track to establish its presence in all the major automotive clusters in India to improve proximity to the customer. In the current financial year, we intend to grow at higher than industry rate, acquire more customers and consolidate the improvements achieved.

What are company's organic as well as inorganic business strategies?

We are extensively exploring all strategies which meet our objective of achieving profitable growth. In that direction, we are quite open to examining any inorganic opportunity with synergistic attributes.

Can you give us a broad picture of PPAP Automotive's order book as of FY17?

India is one of the most challenging markets where there is a high expectation for world class quality and services but at a competitive cost. As a result, the OEMs are constantly developing new models and introducing running-model face-lifts and changes. In that direction, engaging with the OEMs in the new development becomes a very important part of our working. We are at present working on 14 projects with customers like Maruti, Honda, Hyundai, Toyota, Tata and Nissan. On top of these, there a number of RFQs that are in the pipeline. We are participating in most of the new launches that you will see in the coming years.

What is company's plant wise capacity utilisation?

We are at around 65% utilisation in Automotive Sealing and a little higher at around 75% in Injection Molding at present.

Will you please elaborate on company's financial forecast for the next couple of fiscal years?

As I mentioned earlier, we have chalked out a path of continuous improvement for ourselves in the company. We are continuously challenging people to outperform, keeping the company's value system in place. Daily small improvement is our key mantra for success. We continue to challenge status quo and are committed to achieving excellence in all our business processes.

We firmly believe that today's result should be better than yesterday's result. The team is motivated to challenge each activity of their daily routine and are focused on doing the same activity more efficiently. This process has enabled us to manage our cost competitiveness in this challenging environment. In this direction, we are confident of growing at higher than the industry levels and attaining improved operating matrix.