

"PPAP Automotive's products are engine neutral"

The second half of 2018, the automotive industry witnessed abruption of demand due to factors like high fuel prices, exchange rates, markets volatility and reduction of available finances. Despite this, PPAP Automotive - a leading manufacturer of automotive sealing systems, interior and exterior automotive parts in India - remains bullish on the Indian automotive industry. This is a short term phenomena and we are quite positive that sooner than later, buoyancy will return to the market, says **Abhishek Jain**, Chief Executive Officer and Managing Director, PPAP Automotive Ltd. PPAP, which started commercial production from its newly setup Gujarat plant in July last year, has been consistently supporting the industry's initiative of light weighting with its innovative products. In this interview with Rakesh Rao, Abhishek Jain elaborates on disruptions in auto industry and how plastics are helping car makers to overcome these challenges.

How is PPAP Automotive serving the automotive and auto component industry?

PPAP is a leading manufacturer of body sealing system and interior and exterior injection products. With capabilities ranging from designing of products to validation and efficient manufacturing, PPAP has established itself as an integrated and one stop shop for the industry's requirements in the product segment that it caters to.

What does PPAP brings to table for auto OEMs and auto component suppliers?

PPAP caters to almost all the OEMs engaged in manufacturing of passenger vehicles. Apart from this, the company has recently ventured into commercial vehicle space as well as the two-wheeler industry. The company focuses on achieving global level excellence across all the facets of the organisation. It is this focus that drives us to meet even the anticipated needs of our customers. The company offers a competitive solution to its customer's specifications thereby establishing itself as a preferred supplier for the respective product segment that it caters to.

PPAP gets involved with the customers right from the inception stage of a new vehicle. Along with the support of our technology partners, we support our customers in making a cost effective design keeping in mind the latest available technology as well as any special functional or aesthetic specification that they may have.

These products are then manufactured using latest and lean technologies which offer cost competitiveness to the customer.

How do you view the performance of automotive and auto component industry?



The automotive component industry is directly dependent on the performance of the automotive industry. In the mid-term to long-term, we are quite bullish on the growth of the industry. We have already become the 5th largest market in the world and we are on track to becoming the 3rd largest within the next decade.

In the past couple of months, we have seen an abruption of demand due to economic factors like fuel prices, exchange rates, markets volatility and reduction of available finances. The floods in some of the states also played a disruptive role. As these factors are getting corrected, we anticipate demand of automobiles to return back and we see a strong growth coming through.

In the last few months, PV sales have witnessed sluggish growth. Is it a cause of worry for you?

We feel this is a short term phenomena. We are quite positive that sooner than later, buoyancy will return to the market.

As a leader in automotive sealing systems for passenger vehicles (PV), what types of trends are you witnessing in the industry?

PPAP and its group company PTI (PPAP Tokai India Rubber Pvt Ltd) caters to the complete sealing system for a vehicle. We use engineering plastics like PVC (polyvinyl chloride) & PP (polypropylene) and thermoplastics as well as EPDM rubber to manufacture these products, according to the application in a vehicle. Technology wise, we already have the necessary know-how to cater to the customer's requirements. We are continuously engaging with the customer to reduce the weight of these products as well as improve their functionality.

How is the rise in need for fuel-efficiency having an impact on interior and exterior auto parts for PV?

World over, the industry is going through a stage of disruption in the engine technology. In India, the new BS VI standards are also on the cards. The OEMs are also focusing on reducing the weight of their vehicle in order to enhance the fuel efficiencies.

The products that are made by PPAP are engine neutral. Whether it is an ICE (internal combustion engine) or an electric powered vehicle, the vehicle will continue to use these products. However, there is a need for use of light weight materials as well as reduction in part weight. PPAP has been consistently supporting this initiative by efforts towards reducing the cross section of its profiles as well as wall thickness, thereby reducing the weight of the components manufactured by it.

 **For plastic injection parts, technology is being developed as alternative to many parts which are currently made by metals due to the light weight, ease of moldability and matching inherent properties.**

Is light weighting of vehicles increasing demand for extruded and injection molded plastic products?

Sealing system has a specific application and is used irrespective of the weight. It is a must for any vehicle. For plastic injection parts, technology is being developed as alternative to many parts which are currently made by metals due to the light weight, ease of moldability and matching inherent properties.

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PPAP has a strong presence in PV segment. In the recent years, you have also made inroads into commercial vehicles (CV) & two-wheelers (2W) segments. Could please elaborate on your plans to tap CV & 2W segments? PPAP has already established its presence with most of the passenger vehicle makers

in the Indian automotive industry. Apart from increasing our presence in the passenger vehicle makers, we are actively exploring opportunities in the commercial vehicle and two-wheeler space. Currently, we already have established relationship with two customers and are focusing on expanding our presence with more customers in this space.

Are there any plans to entry aftermarket segment?

We are a pure OEM sales company and as of now, we do not have any sales network for the aftermarket segment.

How has been exports market for PPAP?

PPAP focuses primarily on the domestic market. We believe that India has a tremendous potential and there will be an unprecedented demand in the local market.

Almost 10 per cent of our automotive sealing products are CKD (complete knock down) exports which are done by our customers to some of the most discerning markets in the world like Japan, the UK, the US, South Africa and Brazil. The demand from these markets has been stable.

Any expansion plans in near future?

In the last couple of years, we have established our presence pan India and now we are present in all the major passenger vehicle hubs of the country. We are continuously exploring opportunities to add further value to the products being offered by the company. We are also scouting for new opportunities which may arise in the existing product domains.

What are your short- and long-term growth plans for PPAP?

PPAP has consistently outpaced the growth of the PV industry. We are continuously adding new products and customers across the market. We are making our operations more efficient. We are continuously engaging with the customer to showcase our capabilities. We are actively engaging with our technology partners for new technology. We are quite bullish on the Indian automotive industry and we will grow at a rate higher than that of the industry. 