



## PPAP Automotive Limited

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22<sup>nd</sup> 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: Transcript of earning conference call for the quarter ended 30<sup>th</sup> June, 2023**

Dear Sir,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 enclosing herewith transcript of earnings conference call held on Wednesday 16<sup>th</sup> August, 2023 to discuss financial results for the quarter ended 30<sup>th</sup> June, 2023.

The transcripts are also available on Company's website at:  
[https://www.ppapco.in/assets/pdf/quarterly\\_reports/PPAP\\_Automotive\\_Q1FY24\\_Earnings\\_Call\\_Transcript.pdf](https://www.ppapco.in/assets/pdf/quarterly_reports/PPAP_Automotive_Q1FY24_Earnings_Call_Transcript.pdf)

This is for your information and records.

Thanking you,

Yours Faithfully,  
for **PPAP Automotive Limited**

**Pankhuri Agarwal**  
Company Secretary and Compliance Officer



“PPAP Automotive Limited  
Q1 FY ‘24 Earnings Conference Call”

August 16, 2023

**Disclaimer:**

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**MANAGEMENT: MR. ABHISHEK JAIN – MANAGING DIRECTOR AND  
CHIEF EXECUTIVE OFFICER – PPAP AUTOMOTIVE  
LIMITED  
MR. SACHIN JAIN – CHIEF FINANCIAL OFFICER –  
PPAP AUTOMOTIVE LIMITED  
SGA – INVESTOR RELATIONS ADVISOR – PPAP  
AUTOMOTIVE LIMITED**

**Moderator:**

Ladies and gentlemen, good day, and welcome to the PPAP Automotive Limited Q1 FY '24 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode.



And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Abhishek Jain, MD and CEO. Thank you, and over to you, Mr. Jain.

**Abhishek Jain:**

Yes. Thank you very much. Good evening, everyone, and welcome to our Quarter 1 Financial Year '24 Earnings Call. I'm accompanied by our CFO, Mr. Sachin Jain; and SGA, our Investor Relations Advisor on this call today. I hope everyone has had a chance to go through our revised investor presentation, which gives you the snapshot of the growth as well as updates on how the business is being developed.

Let me start with a brief overview on the industry. In FY '23, Indian passenger vehicle industry has surpassed Japanese industry to become the third largest auto market globally preceded by China and U.S. Even after becoming the third largest industry, the penetration continues to be in single digit in India. With rising incomes and higher penetration, the industry is poised towards achieving sustainable growth.

During the quarter, the passenger vehicle segment grew from 10.6 lakh units to 11.4 lakh units, indicating a growth of 7% compared to last year. The growth is attributed towards new model launches, coupled with premiumization trend. The industry tailwinds has led to the spurt in demand. All the top-selling models have a waiting time ranging from 3 to 12 months. The passenger vehicle industry is expected to reach a volume of over 6 million vehicles by the year 2030.

On the component side, the industry body ACMA has reported a remarkable growth of 32.8% in financial year '23 over last year amidst challenging economic environment. The sector achieved its highest ever turnover of INR 5.6 lakh crores. The auto components segment is expected to register double-digit revenue growth in financial year '24 on the back of healthy demand from OEMs, especially in the passenger car vertical, coupled with steady growth of 6% to 8% in the aftermarket.

Friends, last year and the quarter under review was extremely challenging for the company. We struggled with issues rising out of the pandemic and semiconductor shortages as well as the geopolitical issues. However, we have visibility that all the negativities are getting diminished from July onwards. This year is going to be a year of reckoning for the group. To improve our profitability, we have represented price increases to our customers, worked on reducing our costs with our suppliers and also worked on making the operations leaner.

The investments done by the company in the JV company also will start showing positive contribution. The lithium ion battery company will also start supplying profitable and engineering products to its customers. The aftermarket company has already developed a strong pan-India network and has started looking at markets outside the country.

I am confident that all the hard work done by the company in the past 2, 3 years will start yielding better results this year, and we should be back on making the fundamentals of the company and



the group strong and rock-solid so that we can continue to build greater value for all the stakeholders.

Now let me briefly give you an update on the business segments. The company's core focus continues to be on the automotive industry. In the quarter under review, we have started manufacturing parts for Maruti Suzuki Jimny, MG's Comet, which is an electric vehicle as well as for Suzuki Motor Gujarat's Fronx model. In this segment, although we are able to see robust demand and sales coming through, we have been able to develop a couple of premium products for our customers, and these products have been well accepted by them and will start production next year.

The capacity utilization stood at 70% for the quarter under review. We are in the process of developing over 250 new parts for 28 new vehicles, which will come in March production in the following period. Although the products made by the company are Indian agnostic, however, for business sustainability, we have been able to secure business with over 10 EV customers, which are planning to launch electric vehicles in the future.

Maruti continues to be the biggest customer. In this quarter, we are preparing for the mass production start of the much awaited Elevate model from Honda. If you look at our top line, which was basically affected by the reduction of Honda volumes during the quarter under review. But this new model launch from Honda will surely be a turnaround thing for Honda also and for the company sales as well.

The raw material prices continue to stabilize now, which caused a major hit on the margins of the company. We are continuously discussing with our customers for compensation of inflationary costs like power, diesel and labour, and we are hoping for a favourable judgment shown. We were able to resolve the price compensation in our JV company, and it has started positive contribution in the consolidated results. We are hopeful that within the next quarter, we should be able to settle all these claims and restore our bottom line to a greater extent.

I'm happy to report to you that the company has been awarded for its superior performance from various customers like Toyota, Maruti, as well as Suzuki Motorcycles. We were also recognized by The Machinist Magazine for focus on achieving excellence on the shop floor.

Our second vertical, the commercial tool room also has been able to book a strong order book for this year. This year, we have an order book of 62 tools already, and we are in discussions for 27 another tools from a capacity of making 100 tools per year. We are quite excited that this business will start its positive contribution to the company from this year onwards. Apart from PPAP, this facility also caters to customers from Tier 1 makers of automotive component industry as well as electrical goods industry.

There is traction coming in the industrial products segment as well. This year, we will start supplying for an export customer, which will be the first for the company. In this segment, we are focusing on application engineering solutions in areas of plastic extrusion, rubber extrusion as well as plastic injection molding. For the aftermarket vertical, which is done by the subsidiary company, Elpis, our pan-India distribution network now covers over 100 cities in the country.



We are continuously adding SKUs for our customers. Our current offering is for 650-plus products, and we will continue to enhance it.

During the monsoon season, we introduced some special products like wipers, which were well accepted by the market. This year, we will be developing our strategy for exporting our products as well. This particular business grew by more than 50% this year, and we expect this traction to continue for the next following years.

The lithium ion battery vertical was in doldrums till the quarter under review. This vertical contributed to significant loss on the consolidated level. However, going forward, we have a strong order book, which will start supplies from this month onwards, and we should be able to contribute positively during this quarter.

Our team was successful in getting the AIS-156 approvals for its battery for 2-wheelers and 3-wheeler applications. We were also successful in developing solutions for other kind of mobility applications as well as energy storage solutions and robotics applications. We see a strong traction coming through, and we expect that this year onwards, this vertical will become a strong pillar of growth for the group.

On sustainability front, we are Bronze certified from EcoVadis. We are already complying with BRSR requirements on a voluntary level. We are a Great Place to Work certified organization. Our latest report for financial year '23 for sustainability will soon be available to you. 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 in and around New Delhi by planting and sustaining native trees to improve the environmental conditions.

Now let me throw some light on the financials for quarter 1 of financial year '24. On a stand-alone basis, the revenue decreased from INR 116.3 crores to INR 111.4 crores, indicating a degrowth of 4.2% year-on-year. This was primarily due to the reduction of volumes of our main customer Honda, and also contribution was because of Nissan volumes going down. EBITDA stood at INR7.4 crores.

The company registered a PAT loss of INR 1.6 crores, primarily due to the reduction of the sales amount. We had resources planned for a much higher sales, but due to Honda and Nissan reducing their volumes, our fixed costs could not be spread across a larger base. Coming to the consolidated financials, the revenue decreased from INR 123.2 crores to INR 116.5 crores, indicating a decline of 5.5%. EBITDA stood at INR 7.1 crores with a PAT loss of INR 2.7 crores.

As explained earlier, this PAT loss, in the previous quarter, there were 2 reasons for it. The joint venture company as well as our lithium ion battery business. We were able to resolve the issues for the joint venture company. However, during the quarter under review, the lithium ion battery business contributed to this loss, which we are quite hopeful that going forward, we will be able to resolve.

As I said earlier, we anticipate financial year '24 to be a year of reckoning due to multiple tailwinds in the automotive industry as well as the positive additions from the new initiatives started by us. Higher realization on account of better product mix, moderation in input prices



and cost efficiency measures will support profitability. The capex spending at an industry level will rise that will be in line with the capex of the OEMs. The increase in utilization, coupled with tariff revision from the customers will put the company on a sound footing to grow in the coming years.

Thank you all for your kind listening. We will be more than happy to answer any questions that you may have. Over to the moderator.

**Moderator:** Thank you. We will now begin the question-and-answer session. The first question comes from the line of Ranodeep from MAS Capital.

**Ranodeep:** I wanted to understand your thoughts on the battery pack business. What is the scale that we're looking at in terms of some projections on a year-on-year basis, what kind of revenue can we expect from this business?

**Abhishek Jain:** Yes. So the battery pack side, as we have mentioned that now from the next quarter, there is a good opportunity, on a year-on-year basis, we are expecting growth of around 40% to 50% from this year onwards.

**Ranodeep:** Okay. In terms of your main business, which is intrusion and extrusion-based products, what is our market share at this point of time across all the models?

**Abhishek Jain:** For the extrusion business, it varies model to model, if we talk about Maruti we have more than 85% share, Honda side, we're almost 100%, Toyota, we're almost 100%. So that kind of share we enjoy and achieve in this.

**Ranodeep:** Okay. And lastly, can you update in terms of has there been an uptick in the average selling price for the products that we make for, I believe a couple of quarters back, you had shared the numbers for each of the OEMs. Can you share the latest numbers for the OEMs?

**Abhishek Jain:** Our share of business for OEMs?

**Ranodeep:** Yes, yes. Like I believe for Honda, your average selling per car was X. I was looking for the number for each of the OEMs.

**Abhishek Jain:** Okay. So for Maruti, the average is anywhere between INR2,500 to INR3,000, Honda again, INR6,000 to INR7,500, Tata, it will improve to INR6,500. MGI side, it is INR6,500, Tata it is again INR1,500 and in coming model, it will go up to INR3,000.

**Ranodeep:** So there is an uptick when it comes to Tata Motors at least, right? I mean that's what we see.

**Abhishek Jain:** Yes. Tata Motors and MG Motors.

**Ranodeep:** Okay. Okay. Sure. And one last question, if I can just squeeze that in. We did see in the investor presentation, a note about the plastic storage container. So is this a new area that we are wanting to foray into? And what are the thoughts? Why do you want to diversify into an area like this?



- Abhishek Jain:** So this business is used primarily whenever we have some spare capacity on the automotive business. So we try to make these containers for the market.
- Ranodeep:** Okay. So this is not something that we want to aspire to grow big, but it was just to ensure that our utilization is higher, we are ensured...
- Abhishek Jain:** More of capacity utilization strategy rather than a focus area for us.
- Moderator:** Next question comes from the line of Rohit Mehra from SK Securities.
- Rohit Mehra:** I have a couple of questions. The first is, can you elaborate more on the strategy on commercial tool room vertical? And what is the top line and margins in this segment?
- Abhishek Jain:** The commercial tool room, our focus is basically to make plastic injection tooling for our in-house consumption as well as for providing the tools as a product for the company. In this segment, we used to make our tools for inhouse since 2008. But 2 years ago, we made this as a separate profit center.
- And we expanded in it. We invested almost INR 30 crores in it. And we've set up a completely new plant in our existing Surajpur plant, which is in Uttar Pradesh, Greater Noida area. So in this segment, we have business from medical device people, also from electrical parts, like switches, automotive side, we've made a couple of parts and capacity of this tool room is roughly 100 molds per year.
- And the maximum turnover which we can achieve out of this business on an extreme level is one is to one, but the margins are better. So this is supposed to be a 20-plus EBITDA margin business.
- Rohit Mehra:** Okay. And secondly, the company has derisked from its core business by entering into different verticals. Is the diversification strategy playing out well? And how much percentage of revenue comes from the other 4 verticals apart from automotive segment?
- Abhishek Jain:** Aftermarket, we have started about 2, 3 years back, and aftermarket contributes about 3% to the turnover right now. commercial tool room currently contribution is about 2%. The electric vehicle business also is about 2% right now. And major continues to be the automotive parts.
- Moderator:** Next question comes from the line of Narendra from Robo Capital.
- Narendra:** What kind of revenue growth visibility we have over the next couple of years, if you could share your target or say guidance or something...
- Abhishek Jain:** Can you repeat the question...
- Narendra:** Yes. I was saying what kind of revenue growth number are we targeting for the next couple of years?
- Abhishek Jain:** Last 3 years, our CAGR for growth has been about 12.5%. So going forward, we should be higher than that.



- Narendra:** Okay. So any quantum?
- Abhishek Jain:** Sorry...
- Narendra:** Any quantum of how high it could be?
- Abhishek Jain:** See everything is a factor of the market. Our main business is automotive parts. And as you also know, the nuances of this business, it depends on the customers' volume. So if a customer is able to produce more than the industry, then of course, that business will grow more than the industry.
- Narendra:** Okay, all right. And...
- Abhishek Jain:** So like aftermarket, specifically, like we've grown by 50%. And hopefully, that trend will continue over the next 2-3 years because the base so small. Also I mentioned about the EV commercial tool room also. So we expect the growth in the same direction for the next couple of years. High growth area. For the automotive business, it would be in line with the industry growth. However, it would be higher than the industry.
- Narendra:** Okay. Okay. And the next year is going to be a good year for EV launches as approved. So are we seeing any traction over there from our existing customers?
- Abhishek Jain:** So we are already working on 10 models, which will be launched by our customers in the near future. So as you know, for passenger vehicle market, Maruti has some plans. Honda has already launched their hybrid vehicle. Toyota has already launched. The Tata is planning for the launches that we already have business for. For MG, we are already working with Comet and ZS EV, then with Mahindra, we are now discussing for business. And hopefully, for their next future electric vehicles, we should be there on that platform.
- Narendra:** Okay. So it would be fair to say that we are in partnership with almost all major payers right now. Would that be okay to say?
- Abhishek Jain:** Yes.
- Narendra:** Okay. And what about the margins? Are we planning to expand it or we don't see it rising in the near future?
- Sachin Jain:** Sorry, I didn't understand your question.
- Narendra:** Yes. I was talking regarding the margin. So are we looking at any expansion in the near future? Or are we not seeing that in, say, next couple of years?
- Abhishek Jain:** Look for the margin side, as I said earlier also when in the initial speech that we are working on the both side, increasing the top line. And secondly, on the cost side also, we are negotiating with the supplier also. We are working with the customer also to get the price increase of the inflation and the raw material price increases. And in PDL as JV company, we have already stepped into that issue. So we are definitely looking to have the expansion in our margin by means of both, first due to the increase in the top line and second, improvement in the realization and the reduction in the costs for the supplier side.





- Moderator:** Next question comes from the line of Mithun Aswath with Kivah Advisors.
- Mithun Aswath:** So I just wanted to touch upon these margins again. pre-COVID, I think you used to have operating margins in the region of 17% to 20%. But from FY '21, '22, '23, and to now, they have gone to single digit, 6%, 7%. So just wanted to understand, is there a path to go back to those pre-COVID margins? Or what has happened? That was my first question. My second question is on the electric business that you have embarked upon. What is the potential in terms of the top line that can be achieved with the capacity that you have put? These are the two questions.
- Abhishek Jain:** So as for the margins side, we are explaining in the previous call also that there are 2, 3 reasons there. One is that in the COVID period, there was a reduction in the top line. And secondly, from the FY '21, Q4, there is substantial increase in the raw material prices, which has resulted in the loss of margin in the JV company, also in PPAP loan company also.
- And we are working on that side very aggressively, as I already mentioned in the previous question also that from the customer side, we are working to improve the realization on the sale price, supplier side, we are improving the sourcing to have the reduction in the raw material prices.
- So both ways we are working on that. About the pre-COVID margins of 17% and 20%, so there is a lot of changes there in the industry also. So it is now very difficult to have those kind of margins to late 20s kind of margins. So we are quite hopeful that we will be able to restore around 13% to 14% kind of margins on the long term basis on which we are working.
- Mithun Aswath:** And also on the EV business that you have started, you have about 2% revenues from there. How big can it be with the capacity that you have put up?
- Abhishek Jain:** So on the current investment of around INR18.5 crores, we are expecting around INR100 crores to INR125 crores kind of top line on the 90% capacity utilization.
- Mithun Aswath:** And currently, what is that at?
- Abhishek Jain:** Currently, it is around 1% utilization because we are working on the new models and the new products on that side.
- Mithun Aswath:** Can you explain what exactly you are going to do in this EV business? And what is the potential margins in this business also?
- Abhishek Jain:** Potential margin, if you see the battery business is the high cost business, where the raw material cost is almost 80% of the total battery which is produced. So that said, also, we are target to have the double-digit margin in the business also.
- Mithun Aswath:** Okay. By when do you think you will reach this 90% utilization, sir?
- Abhishek Jain:** Next year, we are expecting, by end of next year, we will be able to have that kind of capacity utilization.



- Mithun Aswath:** Got it. And you mentioned that you have been taking price hikes and that realizations will also improve and your supplier contracts for the raw material also being negotiated upon. Do you think in the second half or from the current quarter, things will start improving quarter-by-quarter at least on the margin front?
- Abhishek Jain:** Definitely, on a quarter-on-quarter basis, you will see the improvement in the EBITDA margin.
- Mithun Aswath:** Right. And also, if you can give a breakup in your investor presentation of the different subsidiary business, where is the EBITDA loss coming so that maybe the hit is mainly in the subsidiary and not in the main company. So that one can know if there has been a deterioration in the margin.
- Abhishek Jain:** Okay. That's a good suggestion. Thank you very much for it, we'll add it on from next quarter onwards.
- Moderator:** Next question comes from the line of Ranodeep with MAS Capital.
- Ranodeep:** My question was our top 2 customers accounted for around 70% of our business in FY '23 and similar trends seem to be in Q1 also. Is there a conscious effort to diversify and reduce this concentration risk?
- Abhishek Jain:** If you see the auto industry also the Maruti along with SMG the market leader in that category, they enjoy almost 45% to 50% kind of market share. So that's why we have best shared with the Maruti and SMG. So for the new entrants like MG Motor, we are working on all the models, from Tata Motors earlier 3-4 years back, we used to have only 1%, 2% share.
- Now that has gone up to 6%. And we are also present in their forthcoming models. So we are working with all the players to increase our share of business. and to reduce the dependency of 1 player or due to the market shares that is enjoyed by the Maruti, so it is good to have that kind of share also. It shows that we are also having a continuing business there in new models, which Maruti is launching.
- Ranodeep:** Sure, sure. My last question, time again, we have seen the raw material costs kind of impacting our margins. So is there any school of thought at the management level where we can move to a cost-plus model. Now various industries have used this model to ward off all these uncertainties.
- So is there any thought around moving to a cost-plus model, given in the backdrop that we've been winning orders from all these OEMs. So I'm sure if you can go back to the management and create a cost-plus model, so that our margins don't take a hit in the future. So just wanted to know your thoughts...
- Abhishek Jain:** I think that's a great thought by you. But I don't know if anybody in the automotive industry has been able to get this cost-plus model in place. I'm sure for the other businesses where we can have some sort of leverage, but automotive industry, we can probably work on indexation kind of a system wherein we have alignment of the commodity prices with our sales price as well as our purchase price for raw materials. So we are trying to move towards that direction.



So in the joint venture company, where we've been able to increase our sales price. That was the strategy that we use. So we go into the indexation system of our customers. And we are trying to align our suppliers also to the same system so that whenever there is an increase or decrease, the company's margins remain the same. We are insulated from it.

**Ranodeep:** Sure. Thank you. Happy to hear that, and wishing you all the best.

**Moderator:** Next question comes from the line of Yash Mehta with AP Capital.

**Yash Mehta:** I would like to ask a couple of questions. Are we looking at export opportunities?

**Abhishek Jain:** Yes, for export, we are already doing deemed exports in automotive business, wherein we are supplying parts to our customers, and they are exporting through their own channel. Similar things we are trying to do in our industrial product's division. So we have already developed the product, and we should be starting exports by end of this year.

In our aftermarket vertical also, as I have informed in my opening remarks, we are already present in 100 cities in the country now. And this year, we will be formulating our export strategy to get these parts outside of the country. So export is a very important focus for us. And going forward, in the next 3 to 4 months, we are going to start developing our complete strategy for export. So hopefully, in a year or 2, we should be able to have a major portion of exports starting up in the company.

**Yash Mehta:** Okay. Okay. My next question was, do you expect moderation in raw material costs going forward?

**Abhishek Jain:** We are already seeing this trend happening now. So towards the end of the first quarter, towards June end, we've started seeing the prices coming down. Actually, it happened around the beginning of the first quarter, but its effect will start coming in, in the second quarter onwards on the balance sheet.

**Moderator:** Next question comes from the line of Rishabh Shah with Global Securities.

**Rishabh Shah:** So basically, I have this one question. So what is our production guidance for the Honda Elevate in FY '24? So since our content per vehicle is highest in Honda, what would be the approx business we can garner from supplying parts to Honda?

**Abhishek Jain:** So it depends basically the position which is shared by the Honda for the annual business on the annual basis around 70,000 vehicles plus. So the mass production is just started in the July end. So there should be some ramp up in the Q2. And based on the demand, more clarity would come by the end of Q2.

**Moderator:** We have one question. That is from the line of Ketan Chaphalkar with Evaluate Research.

**Ketan Chaphalkar:** My question is about the battery business. So I wanted to really understand, how competitive we basically are in supplying these battery packs in the long run to the OEMs or to any other aftermarket areas also. So I just wanted to understand how competitive we are in this particular battery business?



- Abhishek Jain:** Competitiveness in terms of cost you're asking or in terms of...
- Ketan Chaphalkar:** Competitive in terms of cost, I'm asking in terms of cost because this particular business actually is so competitive. I mean you have large plants being constructed by so many of the manufacturers. So I just wanted to understand how competitive we are in terms of the cost so that we can supply it in the long run to all the OEMs as well?
- Abhishek Jain:** I don't know how to answer that question. For battery business, I can tell you one thing...
- Ketan Chaphalkar:** If I could frame it in different manner...
- Abhishek Jain:** Plant that we have set up is well appreciated by all the customers that are coming in to us because most of the people who were there into the current business they don't have much competitiveness on the manufacturing side. They don't know how to make the battery pack. They don't know what the process is. They don't know safety systems, they don't know quality system.
- And coming from the automotive industry, we've already ingrained all those automotive DNA in the battery plant. So we are very competitive when it comes to showcasing our technology and our manufacturing to the customer. Price side, I think end of the day, your price is fixed by your competitor only. And it all depends on what kind of cost reduction can you do? And what kind of a long-term contract you have with your customer.
- So right now for the battery business, we've developed solutions for some special mobility applications like golf cart, robotic battery, energy storage system battery and of course, 3-wheeler battery as well, which is AIS-156 certified. And all the customers are giving us repeated orders. So I think we are competitive in that sense if we are getting repeated orders from the customers.
- Ketan Chaphalkar:** Okay. So and if need be, would you be expanding your capacity further, if the need be?
- Abhishek Jain:** If the need be, of course, if it makes business sense. If we have enough trust in the customer, if the customer has enough trust in us, then, of course, we can expand capacity. As of now, we are focusing on utilization of the existing capacities. But as soon as we see some long-term aspects of it, wherein increased capacity can be sustained, we will not fall shy of investing in additional capacity. But we will be very careful.
- Ketan Chaphalkar:** Yes, yes. And my last question is about in the battery business, you have mentioned in your presentation that you have 2, 3 weather applications, you have a solar backup application. So you have a customized mobility application and you have many other areas. So in this particular business, which area do you find actually is the one you will be focusing more on? Or is it like you'll be focusing on all these areas majorly?
- Abhishek Jain:** To be very honest with you, we'll be focusing on, of course, the 3-wheeler application because that, I think, is one of the big things which will happen going forward. Solar backup applications will obviously be there. And the other energy storage application also looks quite promising to us. See, our focus is basically on doing application engineering. So we know that there's a battery, and we know that there's an application.



So how do we design the battery in such a way that it makes that application, and that is our focus. So we have our design team in place. We have the designing softwares in place. We have the testing infrastructure also in place. So we can continuously keep on designing unique solutions, boutique solutions for our customers. And I think that would be a very big edge over other competitors for us.

**Moderator:** Thank you. Ladies and gentlemen, as there are no further questions, we have reached at the end of question-and-answer session. I would now like to hand the conference over to Abhishek Jain for closing comments.

**Abhishek Jain:** Yes, thank you very much. I thank everyone for taking time out of your busy schedules to attend the conference call today. Please feel free to approach us with any questions that you may have. We will be more than happy to show you around the excellent facilities that we have created to service the customer. I thank our SGA Advisors for organizing this call. Last but not the least, a big thank you to the team at PPAP for supporting this call. Thank you very much.

**Moderator:** Thank you. On behalf of PPAP Automotive Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.