



## PPAP Automotive Limited

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19<sup>th</sup> August, 2022

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 the earnings conference call for the quarter ended 30<sup>th</sup> June, 2022**

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 Friday 12<sup>th</sup> August, 2022 to discuss financial results for the quarter ended 30<sup>th</sup> June, 2022.

The transcripts are also available on Company's website at:  
[https://www.ppapco.in/assets/pdf/quarterly\\_reports/PPAP\\_Automotive\\_Q1FY23\\_Transcript.pdf](https://www.ppapco.in/assets/pdf/quarterly_reports/PPAP_Automotive_Q1FY23_Transcript.pdf)

This is for your information and record.

Thanking you,

Yours faithfully,  
For **PPAP Automotive Limited**

**Pankhuri Agarwal**  
**Company Secretary & Compliance Officer**



# “PPAP Automotive Limited Q1 FY2023 Earnings Conference Call”

August 12, 2022



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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**



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**Moderator:** Ladies and gentlemen, good day and welcome to the PPAP Automotive Limited Q1 FY2023 Earnings Conference Call. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions, and expectations of the company as on the date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict. 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 “\*” then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Abhishek Jain, Managing Director & CEO PPAP Automotive Limited. Thank you and over to you Sir!

**Abhishek Jain:** Thank you very much Aman. Good afternoon, ladies and gentlemen and welcome to our Quarter One Financial Year 2023 Earnings Call. My name is Abhishek Jain and I am the Managing Director and CEO of the company. Joining me on this call is Mr. Sachin Jain, who is the CFO of the company along with the team from SGA Mr. Aakash which is our Investor Relation Advisor.

I hope everyone has had a chance to go through our investor presentation which includes the strategy for making the company and subsidiary companies stronger resulting in higher growth going forward along with financial performance for the quarter ended June 30, 2022.

The fiscal year 2023 has begun as the dawn of the new beginning all over the world as the effects of pandemic is receding and people are experiencing normalcy in the post-COVID era. The global economy is witnessing a paradigm shift in terms of macroeconomic factors such as elevated crude oil prices, inflationary pressures in other commodities, interest rates, etc.

On the industry front the automobile sector has shown resilience despite multiple headwinds in the economy. We are witnessing a healthy demand scenario in passenger and commercial vehicles on the back of pent-up demand and replacement demand. The passenger vehicle segment has grown by 33% between April and July against the same period last year. The electric vehicle segment is also growing at a promising rate. By 2030 it is estimated that 30% of the overall industry volume of 10 million units may be attributed to EVs led by two and three-wheelers with passenger vehicles contributing 5% of it.



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India is expected to feature among the top 10 EV markets globally. The Indian auto component industry is in a sweet spot and will grow on account of increase in value vehicle production and exports. There has been a significant thrust by the government in terms of battery swapping policy, PLI scheme, promoting semiconductor manufacturing in India.

Auto component industry is expected to see 9% to 11% of its revenue coming from electric vehicles by 2027 amid increasing electrification. We are pleased to share that in this quarter we have envisaged a scheme which is called PPAP Employee Stock Option Plan 2022 to reward the employees of the company including the subsidiaries, associates and JV companies subject to the approval of shareholders.

The group continues to grow strong in its core businesses as well as the new initiatives which are launched in the past two years.

Now I would like to take you through all the new initiatives and the new businesses that we have been doing in the last two years and where we are today. So, the core business of the company which is the automotive parts. In the automotive segment we have been proactively scouting for new customers and increasing our wallet share in the existing models. During the quarter the company began supplying its product range to newly launched vehicles of Maruti Suzuki Brezza and Honda City Hybrid.

We are developing approximately 400 plus parts for our customers which will be in production in the next two years. As you know that our automotive parts business is engine agnostic, so apart from IC engine we are also now developing parts for the passenger vehicle, electric vehicles. We are currently in process of developing parts for three models which are going to be launched by our customers.

In the aftermarket initiative, our aftermarket segment focuses on development and sale of parts and accessories and is done through a 100% subsidiary called Elpis Components and Distributors Private Limited.

In the quarter we have been able to increase our product offerings to 350 plus as spare parts and 50 plus for accessories. We have also been able to increase our presence to 90 dealers spread across 35 cities across India.

The third vertical for the company growth is the Pail Container Business. This business was gone out of identification of products for which we can utilize spare capacity of our injection molding machines. We have started supplying these containers to agriculture-



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based industry. Now we have almost 10 different types of products to offer and we are expanding to adhesives, paints and FMCG and lubricant industries.

The fourth focus for our growth is the commercial tool room, which can design and develop molds of up to size 1.8 meters based on plastic injection molding technology. This vertical can manufacture 80 plus molds per year. This division manufactured molds for our automotive part business as well as for customers in other automotive segment, white goods and medical segments. Due to global logistic problems, we are seeing a lot of traction in this vertical from customers from all segments including white goods, electrical goods, medical goods, etc. Most of the companies who are buying exclusively from China have changed their policy to China Plus One and that is why this business is emerging as a huge opportunity for the growth.

The EV segment is the new world order for everyone globally. PPAP forayed into the manufacturing of EV components for electric cycles, two-wheelers and three-wheeler applications. We manufacture battery packs for all these applications, we have already established three assembly lines making our capacity of 60000 packs per year. The focus on development of battery pack for storage applications like solar streetlight, mobile tower energy, energy storage solution, is also in place. As I was telling you earlier apart from focusing on electric cycles, two-wheelers, and three-wheelers, we are also getting a lot of business from passenger vehicles for our existing product range of automotive parts and we are developing three, we have got three projects for our customers which will be launched soon about till for another two years.

Now let me throw some light on the financial performance and key developments for quarter one financial year 2023. For standalone PPAP revenue grew by 47.8% from Rs 78.6 Crores to Rs 116.3 Crores in quarter one financial year 2023 compared to year-on-year basis. The company clocked higher sales during the quarter under review and improved capacity utilization which has resulted into an EBITDA margin growth of 255.5% to Rs.12.5 Crores in the quarter.

EBITDA margin has witnessed a sharp uptick from 4.5% in quarter one financial year 2022 to 10.7% in quarter one financial year 2023. 93% of this revenue is derived from sale of parts whereas balanced is derived from sale of tools and others. Maruti Suzuki continues to be the largest customer of PPAP and Maruti Suzuki and Suzuki Motor Gujarat put together contribute about 50% of the total revenues.

During this quarter we have received some appreciation from our customer as well. We received the delivery awards from Toyota for meeting all their delivery requirements and



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were also awarded timely delivery from Somemiya Corporation which is a Japanese company for our good quality and good supply of tools from our commercial tool room division.

During this quarter the capacity utilization stood at 72% we will continue to improve our capacity utilization going forward and achieve operational efficiencies. In this quarter we are also witnessing the commodity prices are also losing steam. So, with higher utilization and with commodity prices losing steam PPAP should be in much better position than what it is today.

For consolidated PPAP we reported a revenue growth of 56.5% from Rs 78.8 Crores to Rs 123.2 Crores year-on-year. EBITDA increased from Rs 2.5 Crores to Rs 13 Crores and the EBITDA margin stood at 10.6% in the first quarter.

Just to summarize the five business segments will act as growth levers for the company. The semiconductor issue which has been triggering the growth of the automotive industry is easing out now and sooner than later things should become back to complete normalcy. The China Plus One strategy is evident and India is well placed to reap the benefits occurring from that opportunity. The commodity prices are steadily losing steam. The Capex plans of auto ancillaries are aligned with that of OEMs will drive the demand over the next few years. We are excited to be part of the manufacturing space in the country and PPAP is at a cusp for spectacular growth journey going ahead.

Thank you for your kind listening. We will be more than happy to answer any questions that you may have. Aman over to you to moderating the question-and-answer session please.

**Moderator:** Thank you Sir. We will now begin the question-and-answer session. First question is from the line of Piyush Jain from Hansraj Virendra Capital. Please go ahead.

**Piyush Jain:** Hello Sir, very good afternoon and congratulations for a good set of numbers. My first question is on you have announced the ESOP 2022 plan can you just elaborate more in terms of detailing how long this is going to last and what the P&L impact it would be having.

**Sachin Jain:** Thank you for the question. So, the scheme is broadly framed considering the next five-year requirement of the company and overall limit which we have kept is around 5% so the grant decision which will be taken by the compensation committee based on the recommendation of the management time-to-time considering the company requirement and the percentage



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of profile of the employees with whom we are going to give these employee stock option plan.

**Piyush Jain:** So, if I understood correctly we are saying 5% of the total outstanding share capital that we are having.

**Sachin Jain:** Yes.

**Piyush Jain:** And is that a front loaded or means the first year would be having the higher effect or means I am just trying to figure out the P&L, exact P&L impact that it would be having on a company in the next five years.

**Sachin Jain:** Currently it is difficult to disclose the initial load because that should be finalized based on the internal discussion and after the recommendation of the compensation committee and is already mentioned that the scheme is just to the approval of the shareholders post that we would be in better position in Q2 to inform how much would be the initial cost of capital or expense side on the P&L.

**Piyush Jain:** My second question is on the new segment like other than the plastic extrusion that we are having. So let us say in the next three to five years how much percentage of our revenue we see with respect to the revenue split between the old business and the new business which we have entered into the last one or two years.

**Sachin Jain:** So, we are looking to have at least 25% of business from these new initiatives taken in the last two years.

**Piyush Jain:** And the margin profile would be higher on this business comparative to the existing business, or it would be in line with the existing business itself.

**Sachin Jain:** So, it depends on the business for the tooling side it would be bit higher after market side it would be better and EV component is more or less into the automotive industry so it should be in line with the current margin structure of the company.

**Piyush Jain:** Thank you so much that is all from my side and all the best.

**Abhishek Jain:** Thank you. Our next question is in the line of Ajuna Shah from Shah Investments. Please go ahead.



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**Ajuna Shah:** Thank you for this opportunity, Sir. Sir, if you could just throw some light on how the aftermarket segment has been performing and also what would be our EBITDA margins in the segment.

**Abhishek Jain:** Aftermarket last year we clocked a sale of around Rs 10 Crores and that was almost like the first full year of operations. So going forward because the base is very small, so we expect that we should be doubling the sales at least for the next two to three years every year. Margin side currently because the sales are kind of low, so the margin is somewhere between 7% to 8% but we expect that when we achieve this critical mass then we should be able to improve the margins in aftermarket business as well.

**Ajuna Shah:** So how big would our EV business be and if you could tell us how it is shaping up are we adding customers in this vertical.

**Abhishek Jain:** See EV business first of all we are present across all the segments, so passenger vehicle side whatever product range we make for the IC engine all those parts can be made for the electric vehicle as well. So, as you know the MG has already launched this ZS EV and Tata already has Nexon EV so both of them we supply parts both these models and one more customer I am not at liberty to name him, but they are planning to have to launch a big EV in the next few years. So, we already have a business for that model and we are developing almost 20 odd parts for them. For the battery side our focus is on two-wheelers and three-wheelers primarily along with providing storage solutions for solar application and all that and in that segment, we have four to five customers already who are doing business with us and about 10 odd products are under development with potential customers.

**Ajuna Shah:** All right, sure. That was very helpful. Thank you very much.

**Moderator:** Thank you. The next question is from the line of Saral Seth from Indsec Securities & Finance Limited. Please go ahead.

**Saral Seth:** Hi! Sir, thanks a lot for taking my question and congratulations for a good set of numbers. Sir my first question is as we highlighted in our press release that we are venturing into Honda Hybrid and Brezza. So how is the traction there Sir and with these higher premium cars are we seeing increase in our realizations. So, I am trying to understand are we benefiting from the premiumization of Indian passenger vehicle market.

**Abhishek Jain:** See these are two models which have been launched by our customers during this quarter. So, the reason to name them was to give you a sense that new model launches PPAP is present in it or not. Your second question regarding premiumization, of course it will





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benefit us because specification of our products are change when you get into a premium kind of a product, premium segment vehicle. So that results in increase in sales also and somewhat increase in margins as well just because the price is higher and price is higher not just because it is a premium model, but the basic specifications of that product is different for example in a low end vehicle you see only black strips on the door of the vehicle, but when you get into a premium vehicle you see a stainless steel type of finish or a black bright type of finish or different kind of finishes. So that is what drives the premiumization of our products, the specifications change.

**Saral Seth:** And all your key customers like Maruti, Honda and Tata have been continuously guiding for increased production amid better outlook and easing chip shortages. So are we prepared to handle such kind of increase in production and where do we stand in terms of capacity utilizations currently.

**Abhishek Jain:** As I explained, so first quarter our capacity utilization was about 72%, so whatever customer is projecting us to deliver we are completely ready to give all those supplies to them. We are completely geared up.

**Saral Seth:** And what are our Capex plans for FY2023.

**Sachin Jain:** For this year we are looking to add around Rs 35 to Rs 40 Crores in the capex.

**Saral Seth:** Would that include maintenance as well or the maintenance is separate.

**Abhishek Jain:** It includes the maintenance, replacement and improvement Capex also.

**Saral Seth:** Our gross margins have improved sequentially in a very high rising input cost environment while others have shown sharp decline, so what is the reason for that Sir.

**Sachin Jain:** Basically, there are two three reasons one is the better capacity utilization in this quarter we have if you compare with the Q1 and also on the some commodity side there are some you can see the cooling of the prices in after mid May. So, there are some effects of that also.

**Saral Seth:** Sir if I carefully look at your numbers our depreciation remains to be extremely high which is impacting our bottom line though on the EBITDA front, we are doing extremely well, but when it trickles down to the PAT level our depreciation is impacting our PAT I feel so. Do you feel so or any color on that whether it is because of continuous Capex intensive nature of the business.



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**Sachin Jain:** Yes, one is the nature of the business is capital intensive, in the last two to three years as we are expanding our self in the new avenues like commercial tool room we have started and we have also expanded our self in Gujarat and Chennai area near to the customer, so we have to create facility and the two some expansion in that part. So more or less the expansion side we have completed now the Capex would be more of the balancing equipment side maintenance replacement Capex side and going forward as the capacity utilization would improve then automatically if you see the current percentage is around 7% it will come down correspondingly in terms of utilization for ourselves.

**Saral Seth:** And what is our asset turnover in this business extrusion and automotive sealing.

**Sachin Jain:** Current ATR you are talking about the current ATR.

**Saral Seth:** Yes, broader indication.

**Abhishek Jain:** That is almost one in this quarter.

**Saral Seth:** One time so it is actually Capex intensive, what is interesting to see that you have been increasing business with Nissan in other segment also can you throw more color on others because now that is big segment, or a big portion of the entire mix is it tooling I think tooling also goes into this.

**Abhishek Jain:** Sorry we did not understand your question can you please repeat it once again.

**Saral Seth:** Yes, so what I am asking is the other segment has now become 22% of your business so what is driving the others segment and is tooling part of others.

**Abhishek Jain:** 22% no we did not understand what is this 22% you are talking about.

**Saral Seth:** Yes, so I am asking in the entire customer contribution as on FY2022 others form around 22% of your total revenue mix others segment.

**Sachin Jain:** In FY2022.

**Saral Seth:** Yes, so Maruti, SMG, Honda, Tata Nissan and then we have the others which is the big customer.



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**Sachin Jain:** Yes, other includes Volkswagen, TKMN, Hyundai, MGI, two-wheeler segment also. So, they have mentioned the broad customer mix. So, if you see the others, others would do 3% to 4% only.

**Saral Seth:** So, with that is it fair to assume that the dependency on Maruti and Honda is reducing and it is expected to go down further or that is not the case.

**Abhishek Jain:** See with Maruti and Honda at one point of time 65% was on Maruti for us then somehow, we changed it to about 40% came to Honda, but now both of these customers are like Maruti and SMG put together they are down by about 50%, Honda which used to be about 40% of our business is now down to almost 20%. So we are very aware of this fact about being dependent on any one customer for too much business and we are continuously focusing on developing other customers like Volkswagen we started about two years back so now Volkswagen contributes almost 3% to our sales, Toyota again it contributes 4%, MG which is a fairly new customer in the Indian market, they also contribute around 4%, Hyundai and Kia put together since it is slightly low they should be a much higher but they are also contributing about 4%. So, all these customers put together we are able to continuously reduce our dependence on Maruti Suzuki and Honda, but Maruti Suzuki because it is the major player in the automotive passenger vehicle industry. So, it will always be a dominant player for any passenger vehicle component maker who want to do business in India.

**Saral Seth:** Thank you Sir that was very detailed answer. Sir what would be our market share, broad market share in our core segments.

**Abhishek Jain:** If you look at the plastic sealing system overall, we should have a market share of 85% plus if you look at the total market. Customer wise I think Maruti is the only customer where we have some competition apart from that in plastic sealing whether it is Honda or whether it is Tata, whether it is MG or Toyota or Skoda Volkswagen now we have a 100% market share in whatever we supply to them. Hyundai and Kia would be about I would say still about 20% because we are still making inroads with them and they already have a Korean supplier who we have to compete and collaborate both with.

**Saral Seth:** And what is your guidance for FY2023-2024 or next two years where do we see our revenue and profitability going if you want to give any long-term guidance.

**Abhishek Jain:** Yes, I have been mentioning about it, see industry wise I think this year we should be hitting the maximum number of production ever for passenger vehicles. I think industry wise there is no problem in the future growth and for the bottom line as I was mentioning in



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the earlier as well, now these commodity prices which were at a lifetime high which went unprecedented high they started softening so we have started seeing that effect coming in June and every month these prices are getting better so we do not see any particular problem in top line or bottom line going forward.

**Saral Seth:** Sure, Sir that was very insightful I will fall back in queue.

**Abhishek Jain:** Thank you. The next question is from the line of VP Rajesh from Banyan Capital Advisors. Please go ahead.

**VP Rajesh:** Hi! Thanks for the opportunity. Most of my questions have been answered with this two that are remaining. What I was asking is that what is the capital employed in the three new businesses your aftermarket, your EV business and the plastics on business.

**Abhishek Jain:** Sorry, what was the last one.

**VP Rajesh:** The third new division that you have started in the last two years in all these three divisions what is the total capital employed.

**Sachin Jain:** So, for the aftermarket side because we are more or less on the trading activities here so on the company side, we have just invested around Rs 50 lakhs in that and there is no loans in that company. So that company surviving it onown and the EV component side up to June end the overall capital employed is around Rs 47 Crores in that segment because of the Capex and inventory requirement in that company and Pail container because this is the more or less part of the PPAP business. So, at that segment the capital employed is around Rs 3.5 Crores.

**VP Rajesh:** And then this EV business where we have deployed Rs 47 Crores what is the kind of revenue and EBITDA you see in three years down the line.

**Sachin Jain:** So on the three years down the line I think EBITDA will be in the double digits in the segment also and the revenue we are expecting more than Rs 100 Crores

**VP Rajesh:** and to get to that Rs 100 Crores when you need to deploy more capital or on this 47 you can produce...

**Sachin Jain:** We will manage with that and gradually it will reduce when the business will stabilize the inventory level will come down so automatically it will reduce.



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**VP Rajesh:** Wonderful and then my other question was that if you go a few years back you were showing around 18%, 19% EBITDA margin and majority of that was because your gross margin was very healthy back then and if you look at last year's number there is a big delta in the gross margin. So, the question is that now that the commodity prices are coming down your capacity utilization is going up when do you think you can get back to the same kind of gross margin and EBITDA margins in the core business.

**Abhishek Jain:** I think you should be seeing some sort of movement from quarter three onwards. I think it will take us this quarter as well quarter two for all these commodity prices to settle down and to getting to start a reflection on the financial books and all. So, quarter three should be the full quota where we can expect higher EBITDA margins coming through.

**VP Rajesh:** So, when you say higher EBITDA margins what is the number you have in mind like are we talking high teens the way you were earlier or will it be mid-teens first just trying to get a sense.

**Sachin Jain:** It will be in the mid-teen level because the higher teen I think the current environment does not suit you can say the prices and the competitions other things also there. So, it would be very difficult to reach again that level, but on the long-term our internal target to have mid teen numbers on the EBITDA side.

**VP Rajesh:** Wonderful thank you so much and all the best.

**Moderator:** Thank you. Our next question is from the line of Nitin Gandhi from KIFS Trade Capital. Please go ahead.

**Nitin Gandhi:** Thanks for taking question. I just would like to know with this year where do we see our capacity utilization inching up, we will be able to make it based on your order profile what you have right now will we be at least processing 80%, 82%.

**Abhishek Jain:** Quarter one we saw this capacity utilization at 72% and based on the projections which have been given by the customer I think this should increase to about 85% in this year.

**Nitin Gandhi:** Okay that means for a year at least will be about 75, 78 levels between around that.

**Sachin Jain:** Yes, on full year basis we should.

**Nitin Gandhi:** And what about next year.



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**Abhishek Jain:** Next year also I think current customers they have I think they have good projections in place. So actually, in automotive business we generally try to maintain capacity utilization to a peak of 85% because there are certain peaks and rallies also so maybe if the projections are more then we may add some balancing equipment to our capacity.

**Nitin Gandhi:** So that means somewhere around four quarters down the line you do to start thinking for those drawing states right.

**Abhishek Jain:** I think quarter three we should be able to have visibility because that is when customer starts giving us some plans for next year model by model and part by part so then we can take a better call on what is required to be done for next year onwards that is the nature of the automotive part business.

**Nitin Gandhi:** Right thank you very much.

**Moderator:** Thank you. Our next question is from the line of Raj Joshi from Ace Securities. Please go ahead.

**Raj Joshi:** Good afternoon, Sir. Sir, what is the estimated Capex over the next couple of years and do we intend to set up any new facility.

**Sachin Jain:** As we mentioned earlier also that it could be more in line with the OEM requirement so we will be expanding more on the balancing equipment side in future years which would be linked directly linked to the OEM requirement and about creating the facility as of now we have created the facility on the each zone north, south, west, everywhere. So, for the next two years we are not looking to add facility per se, but if there is such a requirement a big requirement it comes up from the customer side then we will definitely look forward to have the facility closer to the customer. In the last one year we have expanded our Gujarat plant also and our Chennai plant also so we think that for the next two years this should be enough for meeting customer requirements but in case we get some other new project or we do something then of course this requirement will change, but as of now we do not intend to add any new plant only we need to invest in some balancing equipment and focus basically is on increasing the utilization of all the investments that were made in the last two years.

**Raj Joshi:** And also, our interest cost has increased in Q1 FY2023 again Q-o-Q and Y-o-Y levels then what is the level of debt to equity ratio you are comfortable with.



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**Abhishek Jain:** Current debt equity ratio is about 0.3 so I think we are quite comfortable with this type of ratio we do not intend to increase it to a much higher level but remaining around 0.3 is quite comfortable for us.

**Raj Joshi:** Okay Sir, thank you that is it from my end.

**Moderator:** Thank you. Our next question is from the line of Amar Survase an industrial investor. Please go ahead.

**Amar Survase:** Sir what would be the effective tax rate for FY2023.

**Sachin Jain:** Effective tax rate is 25 the base rate of 22% we have adopted and we are following the same.

**Amar Survase:** 25%.

**Sachin Jain:** 22% plus the taxes are surcharges so effective taxes will be around 25.17%.

**Amar Survase:** And one more thing I mean as we can see that the commodity price has fallen. So could you expect our EBITDA margin go back to let us say 12% to 14% level in FY2023.

**Abhishek Jain:** Yes of course.

**Amar Survase:** Okay, fine.

**Moderator:** Thank you. Ladies and gentlemen as there are no further questions from the participants; I now hand the conference over to Mr. Abhishek Jain for closing comments. Thank you and over to you Sir.

**Abhishek Jain:** Thank you Aman. I thank everyone for taking time out of their busy schedules to attend this 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 our existing facilities that we have created to service the customer. I thank 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. Have a good day.

**Moderator:** Thank you very much. Ladies and gentlemen, on behalf of PPAP Automotive Limited that concludes today's call. Thank you all for joining us and you may now disconnect your lines. Thank you.