

PPFL/SE/2025-26/044

November 14, 2025

To,

**BSE Limited**

25<sup>th</sup> Floor, P.J Towers,  
Dalal Street, Mumbai-400001

**National Stock Exchange of India Limited**

Exchange Plaza, Bandra Kurla Complex,  
Bandra (E), Mumbai - 400051

**Scrip Code: 542907**

**Scrip Symbol: PRINCEPIPE**

Dear Sir/Madam,

**Sub: Disclosure under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") – Transcript of Conference Call held on November 10, 2025**

In continuation to our letter No PPFL/SE/2025-26/038 dated November 03, 2025, please find enclosed herewith transcript of the Conference Call for Analyst and Investors held on Monday, November 10, 2025.

Kindly take the same on record.

Thanking You.

Yours faithfully,

**For PRINCE PIPES AND FITTINGS LIMITED**



**Shailesh Bhaskar**

**Company Secretary & Compliance Officer**

**FCS: 13188**

Enclosed: as above

**PRINCE PIPES AND FITTINGS LIMITED**

Mfg. & Exporters of UPVC, CPVC, PPR & HDPE Pipes, Fittings, Valves & Water Tanks



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“Prince Pipes and Fittings Limited  
Q2 & H1 FY'26 Earnings Conference Call”

November 10, 2025



**MANAGEMENT:** **MR. PARAG CHHEDA – JOINT MANAGING DIRECTOR –  
PRINCE PIPES AND FITTINGS LIMITED**  
**MR. NIHAR CHHEDA – VICE PRESIDENT, STRATEGY –  
PRINCE PIPES AND FITTINGS LIMITED**  
**MR. ANAND GUPTA – CHIEF FINANCIAL OFFICER –  
PRINCE PIPES AND FITTINGS LIMITED**

**MODERATOR:** **MR. SUMEET KHAITAN – MUFG INTIME**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Q2 and H1 FY '26 Earnings Conference Call of Prince Pipes and Fittings Limited hosted by MUFG Intime. 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.

I now hand the conference over to Mr. Sumeet Khaitan from MUFG Intime. Thank you, and over to you, sir.

**Sumeet Khaitan:** Good morning, everyone. I welcome you all to the earnings conference call to discuss quarter 2 and H1 FY '26 results of Prince Pipes and Fittings Limited. To discuss the results, we have from the management: Mr. Parag Chheda, Joint Managing Director; Mr. Nihar Chheda, Vice President, Strategy; and Mr. Anand Gupta, Chief Financial Officer. They will take you through the results and the business performance, after which we will proceed for a question-and-answer session.

Before we proceed with the call, I would like to mention that some of the statements made in today's call may be forward-looking in nature and may involve risks and uncertainties. For more details, kindly refer to investor presentation and the other filings that can be found on the company's website.

With this, now I hand over the call to the management for their opening remarks. Over to you, sir.

**Parag Chheda:** Thank you, Sumeet. Good morning, and thank you all for joining us for our quarter 2 and H1 FY '26 financial results. The presentation and the press release have been issued to the stock exchanges and uploaded on our website. I hope everyone has been able to go through the same.

During the quarter, the PVC pipes market continued to face a challenging environment, primarily due to volatility in PVC resin prices and weak demand conditions. Key end user segments such as infrastructure and real estate witnessed subdued activity, largely affected by an extended and uneven monsoon that disrupted construction schedules.

The agriculture segment also experienced softer demand as erratic rainfall patterns impacted farm-related activities. These factors collectively weighed on overall market sentiments and consumption momentum. Adding to these challenges, the delay in the implementation of the antidumping duty created a degree of uncertainty amongst the channel partners, exerting further pressure on domestic PVC prices.

Despite these industry-wide headwinds, our focus remains steadfast on driving operational efficiencies, optimizing costs and implementing targeted market initiatives. We believe these actions will enable us to remain agile and resilient as we navigate the current cycle. We continue to maintain a clear strategic focus on strengthening operational resilience and advancing our long-term growth priorities.

Consistent efforts to enhance brand presence, build deeper partnerships with channel associates and drive impactful marketing initiatives are delivering encouraging results. These initiatives

are translating into healthy volume-driven growth across key regions while reinforcing customer confidence and creating a solid platform for sustainable future performance.

A significant milestone this quarter was the successful commissioning of Phase 2 operations at our Bihar manufacturing unit. The completion of this expansion gives Prince Pipes a truly pan-India manufacturing footprint, enhancing our ability to serve customers more efficiently and reinforcing our position as one of the country's leading manufacturers of high-quality plastic pipes and fittings. This milestone also underlines our commitment to investing in capacity and operational scale to meet future demand.

As part of our long-term strategy, we continue to emphasize innovation and differentiation across our product offerings. We remain focused on expanding our product portfolio with differentiated and high-performance offerings while simultaneously strengthening our distribution network across regions.

We are also undertaking various demand generation activities in underpenetrated geographies to broaden our market reach and drive volume growth. These efforts enable us to stay competitive, responsive and deeply customer-focused in an ever-evolving marketplace.

I'm pleased to share that our bathware brand, Aquel, continues to expand its footprint across key urban and semi-urban markets. During the quarter, we extended our presence in the northern region by opening new display centers in Jammu & Kashmir and Uttar Pradesh. These additions further strengthen our retail presence, enhance brand visibility and position Aquel for continued growth in the high potential value-added bathware segment.

We are also proud to have been chosen as the preferred supplier of CPVC piping and cable ducting solutions for the newly inaugurated Navi Mumbai Airport project. This recognition reinforces the trust our brand commands and reflects our consistent commitment to quality, reliability and excellence in serving critical infrastructure developments across the country.

Additionally, we were honored to receive the Ambition Box Employee Choice Award 2025, which stands as a testament to our strong organizational culture, employee engagement and commitment to creating a positive and empowering workplace. Our people remain the cornerstone of our success, and this recognition reflects the pride and dedication they bring to the organization every day.

Looking ahead, we anticipate the demand to gradually recover in the second half of FY '26, supported by restocking activity and improvement in consumption trends. Our strategic focus on geographical expansion, product innovation and operational excellence positions us well to navigate near-term market uncertainties and capture long-term growth opportunities.

In conclusion, despite external headwinds, we are confident that our strong fundamentals, diversified product portfolio and customer-centric approach positions us well for sustained long-term growth.

Thank you for your time. I will now hand it over to our CFO, Mr. Anand Gupta, to take you through the key financial highlights.

**Anand Gupta:**

Thank you, Parag bhai, and good morning, everyone. I will be taking you through the quarter 2 and half year FY '26 financials now. Starting with quarterly highlights.

Revenue from operations stood at INR595 crores.

Our volumes for the quarter stood at 42,761 metric tonnes. EBITDA for the quarter stood at INR55 crores, while margin stood at 9%, registering a 200 basis point growth. Profit after tax for the quarter stood at INR15 crores and the margin for the quarter stood at 2%.

Now for the half yearly highlights, revenue from the operations stood at INR1,175 crores. Our volumes for H1 FY '26 stood at 86,496 metric tonnes as compared to 85,481 metric tonnes same period last year, a growth of 1%. EBITDA for the half year stood at INR95 crores, while margin stood at 8%. Profit after tax stood at INR20 crores and PAT margin stood at 2%.

Our working capital days for H1 FY '26 stood at 85 days as compared to 93 days same period last year. Receivables stands at 52 days compared to 55 days same period last year and inventory days stood at 80 days as on 30th September 2025.

With this, I now end my speech and open the forum for question-and-answer session. Thank you.

**Moderator:**

The first question is from the line of Shravan Shah from Dolat Capital.

**Shravan Shah:**

A couple of questions. So sir, first on the volume front. So obviously, this quarter and in 1H also, the volume growth is very, very muted if I have to compare with the top 2 players, Supreme and the Astral. So just wanted -- and previously last time, we have said that we are looking at kind of a high single-digit to low double-digit kind of a growth in FY '26.

So just wanted to understand in the second half now given 1.2% kind of a growth in 1H on the volume front, how one can look at because if you want to achieve that 9-odd percent kind of a growth for full year, then we need a more than 16% growth in the second half. So -- and similarly, also, if you can add also till now October and till 10th November, how is the demand?

**Nihar Chheda:**

Yes. So I think -- thank you for your question. I think I will answer this question in 2 parts. You are right that a couple of players have grown faster than us in the first 6 months, but it's still important to see this performance in the context of industry growth.

If you see in the September quarter, if you check the overall PVC growth in India is still a degrowth, kind of a 9% degrowth we have seen in the PVC consumption in the September quarter. So in the context of that, we have still held on to volumes and kept our market share intact because industry is going through a very challenging time.

So even if you look at the commentary across the value chain, it has been a very challenging demand environment because of multiple reasons like extended monsoons and credit challenges, especially in the infrastructure space. So in that context, we have still been able to hold on to volumes.

But definitely, we hold ourselves to a higher standard, and we are putting up capacity in a way in which that we should be growing at a faster pace than what we are. And I would still maintain that we will post a growth of our initial guidance for the entire financial year, kind of a high single-digit volume growth is still possible for the year despite the first half being flattish kind of a growth.

**Shravan Shah:** So just to further add, so till now in October and 10th November in terms of how is the demand?

**Nihar Chheda:** So I think there's some background noise and request you to mute. Typically, October being a festive month, demand is usually muted. In November, we have seen a pickup compared to what it was in October. And with the duty announcement, which is imminent in November, I think we should see a good second half of the quarter. So I will stick to my guidance that the full financial year FY '26, we should still aspire for high single-digit kind of volume growth.

**Shravan Shah:** Great. And then just to add, let's say, the ADD, which is likely, as you highlighted, if it comes -  
- I think correct me if I'm wrong, the deadline is 14 November and whenever the deadline will -  
- if it comes, do we see INR5, INR6-odd kind of a price hike? And if so, will it be happening so fast in 10, 15, 20 days, so that can lead to a kind of a channel inventory filling up, which is -- seems to be lower than the normal.

**Nihar Chheda:** Yes. So I will not speculate on the impact in terms of rupees per kg. You are right. I think I do see a INR5 to INR6 kind of an upside, but I will not speculate whether it will happen in one shot or over a couple of weeks. I think what is more important than the extent of the increase is the sentiment.

As you are aware, we are in a distribution-driven industry where pricing sentiment is very important for the behavior of the distributors to restock or destock. So given that the duty is imminent, we have already seen some improvement in November compared to October. And once this duty is announced, we should see an improvement in sentiment.

So I'm not looking at a onetime kind of a restocking benefit, I think, is okay. But I will not focus on that much. Mainly, there will be a complete change in the sentiment. So we will not see a hesitation from distributors to destock, which is not a onetime phenomenon. See, those things will keep happening in our industry.

But at least that -- once that sentiment will change, the primary volume growth will be more directly reflective of the actual demand, which I still believe is going to be strong going forward.

**Shravan Shah:** Great. And now, sir, on the margin front. So obviously, this quarter, we have done a better 9.3% EBITDA margin and for full 1H 8.1%. So we were looking at kind of H2 would be a better and given as you are highlighting the volume growth will be there. So positive operating leverage should also play. But in terms of we'll be achieving kind of a 12% kind of EBITDA margin by fourth quarter?

**Nihar Chheda:** I think by fourth quarter, you are right. Margins will normalize to our kind of a double-digit EBITDA margin from fourth quarter onwards. If you -- so rather than looking forward on the margins, let me dissect why margin performance has been better in September quarter.

It has been a function of 2 things. One is a better product mix. We have grown more in the value-added segments. And PVC, we have not grown as much. So the product mix has been favorable. CPVC, we have seen good volume growth across pan-India. And we have done a few cost optimization drives internally as well.

So as a result of product mix improvement and cost optimization, we have seen a better margin performance. It's still not normalized. You are right, going forward, because better volume growth will lead to better cost absorption, which will also then improve operating margins by the fourth quarter.

**Shravan Shah:** And then from FY '27, that kind of EBITDA margin, 12-odd percent kind of here and there, 50 bps here and there is fine, but that kind of a margin is doable.

**Nihar Chheda:** Yes. I agree it is doable, and we are adding -- we have added capacity aggressively. So our focus going forward is on expanding markets hand-in-hand with the capacity additions. So we will look at the mix of market share and profitability.

We are already doing that, and we are going to do that more aggressively. And with this kind of a capacity improvement and improvement in the sentiment of the market, I think next financial year should be strong performance on volumes and margins, both. Internally, we are optimistic.

**Shravan Shah:** Last 2 things to clarify. Now the Bihar capacity, so as per PPT, Page 5, it mentioned 65,380, but just to clarify what's the actual, now the capacity?

**Moderator:** Sorry to interrupt, Mr. Shravan. There is a background noise from your side. Please rejoin the queue. Thank you.

The next question is from the line of Sneha Talreja from Nuvama Wealth.

**Sneha Talreja:** A couple of questions from my end. You all said that industry growth for September quarter ending was minus 9%. Could you give the same number for the first 6 months, and that's related to PVC, right? What could be the growth in case there is any number for CPVC business at an industry level?

**Nihar Chheda:** I think CPVC, Sneha, as you are aware, PVC is, of course, industry number is important. But for CPVC, as you know, top 4 players, we are enjoying maybe 70%, 80% kind of market share. So I think there is no published data as such, but I think you can make a correlation basis how the top 4 of us have performed.

So PVC, of course, has done better than -- CPVC has done better than PVC because PVC, we have seen this kind of a muted sentiment on account of falling prices. CPVC has done better off. And I think that -- to answer your question, the performance of the top 4 players is more reflective that despite degrowth in PVC, either we have had flattish growth or some players have grown.

**Sneha Talreja:** And what about PVC for the first 6 months?

- Nihar Chheda:** I don't have data offhand, but yes, it is still a degrowth in first 6 months. Maybe after the call, we can try to share some specifics. But quarter 2, I know it is a minus 9% kind of PVC degrowth.
- Sneha Talreja:** Understood. Secondly, the guidance that you're giving, which is high single digit means that there will be 15% to 16% volume growth in the second half. I'm sure you're factoring in ADD here, but what if ADD is not there, what could the growth look like? And similarly, on your margins, you're also guiding for reaching 10%, 12%-odd percent margins. What's the assumption of volume growth that we are factoring in here?
- Nihar Chheda:** So you're right. We need to have double-digit kind of growth in the second half of the year to achieve a kind of 7%, 8% volume growth for the year. Margins, I don't think we are far off. I think we are already there. I think with a little bit of volume growth, if we had been able to achieve in quarter 2 as well, we would have had a kind of a 10%, 11% kind of operating margin.
- So I think with product mix improvement and cost optimization, I think margins, we are more or less there. And I don't foresee any major inventory losses going forward. So I think now it's just a function of we have put up the capacity, and we need to be more aggressive in gaining market share in the quarters to come.
- Sneha Talreja:** Sir, lastly, Nihar, when you said you want to be aggressive, we have seen price aggression by second player after the leader was already showing. What is our strategy here? Because I look at -- if I look at the current quarter, it looks like we are trying to maintain our profits and it's okay to let go of site volumes. Going ahead, when you're talking about aggression, it is -- can it slightly come on the price side also in order to gain market share?
- Nihar Chheda:** No. So I think, Sneha, I don't think -- I will not agree to say that we are focusing on profit more than market share. Yes, if you see the numbers, that's what it looks like. But I think the margins have improved because of product mix and because of cost optimization. It's not that today, we are not competitive.
- If you see the kind of change in realization year-on-year, I think we are in line with industry. So today, we are already competitive in terms of realizations of our finished goods. So it's not that we are trying to focus more on profitability and keeping our pricing intact and letting volumes go.
- But I agree that there is -- we need to do better as far as volume growth is concerned. And that's not going to be a function only of pricing. There is -- we need to be more aggressive with network expansion as we are putting up more capacity, and we have already put up more capacity. So there are a lot of aggression that you can do in the marketplace apart from pricing. I think what we had to do in pricing, we have already done, and we will continue to be competitive with additions in capacity. But I will also focus on non-price-related aggression in the marketplace that we need to do better at, I would say, going forward.
- Moderator:** The next question is from the line of Keshav Lahoti from HDFC Securities.

- Keshav Lahoti:** I just want to understand, as you said, resin consumption is down by 9%. Are you trying to imply industry growth is minus 9% in Q3? So meaning that Prince has in a way, outperformed industry by 8% and maybe the peers are outperforming by 30%? Because that number sounds quite big.
- Nihar Chheda:** Yes. Clearly, I think even when I am taking feedback from my distributors and my sales team or when I'm traveling the market as well, unorganized players have -- not only unorganized players, but even smaller organized players are in a very tough position today because large players like us and even our peers have definitely focused on volumes. And the gap between unorganized players and organized players in terms of finished good pricing, pipe fitting pricing today is narrowed down significantly compared to what it was maybe a year or 2 ago.
- So we have kept our volumes intact and our market share intact or, in fact, grown the market share in -- but it's come at the brunt of smaller players have really faced a tough time because their only lever to grow was pricing. And there used to be a kind of 15%, 20%, 25% gap in terms of pricing of large top 3 or 4 players compared to what smaller unorganized and organized players were selling at. And I think that gap has narrowed down.
- So whatever channel interactions I have had, sales team interactions I have had, smaller players have virtually moved out of the market, which always happens when you see this kind of challenging times in terms of demand for the industry and volatility of raw material price. We've seen these cycles previously. This time, the cycle was more extended because it was coupled with volatility of raw material. So this is not just numbers. This is -- I'm talking on-ground actual market feed.
- Keshav Lahoti:** Understood. Got it. That is good to hear. Secondly, this Bihar plant got commissioned in which month? And how will the depreciation run rate going forward?
- Anand Gupta:** So in H2, as we had informed in -- at the end of the financial year FY '25 that by H1, we will complete all the major machines, which were scheduled to be delivered at the plant. Now it is complete, and that is why when you will see the sequential FY '25, Q1 FY '26 and Q2 FY '26 numbers, 65,000 is something the capacity which we have added.
- And it has completed in first week of September, to be specific. And now it is -- the depreciation is getting fully charged. Means depreciation was getting charged for the remaining what we had already installed up to 31st March 2025. But now it has completed and now depreciation is getting charged on the whole asset.
- Keshav Lahoti:** Got it. What was the quarterly run rate for Bihar in Q3 depreciation? And secondly, what was the overall capex, whatever INR240 crores Bihar we are looking around that benchmark?
- Anand Gupta:** Yes. So it has been completed. Around INR240-odd crores has been invested over there. And specifically, Bihar's Q2 depreciation, I'll come back to you. I do not have hands-on specific that number, but I'll come back to you.
- Keshav Lahoti:** My question is Q3 onwards, what would be the depreciation for the company considering Bihar has commissioned. So depreciation -- what that number will look like?

- Anand Gupta:** It will be in the range of INR30 crores to INR32 crores on a quarter basis.
- Keshav Lahoti:** Got it. Understood. And what was the ad spend for this quarter?
- Anand Gupta:** It was around INR15 crores for this quarter -- for this half year. So 6 months, we have spent around 1.2% of sales number.
- Keshav Lahoti:** Okay. The reason I'm asking this question because you have budgeted 2% ad spend for this year. So means the second half would be 2.5%, almost will be doubling, so which will have some compression in the margin. Is this a fair understanding?
- Nihar Chheda:** No, I think we have to be dynamic. We are going to see it as a function of growth. And given the pressures and the challenging demand environment in the first 6 months, we were conservative on branding. And when sentiment improves and volume growth improves, we will be dynamic. And then we have seen in the past that in good times, we have gone above 2% as well.
- In certain quarters, we have gone to 2.5%, 3%, 3.5% as well, and we have been opportunistic with the branding. So branding is also -- a certain part of it is a commitment to do every quarter, but a certain part of it is also discretionary and variable. So as sentiment improves, we will become more aggressive with this part. So I would see this as a semi-variable kind of an expense. I hope that answers your question
- Keshav Lahoti:** Yes, yes, that pretty well answers my question. What was the CPVC volume growth in this quarter, what you gave...
- Moderator:** Sorry to interrupt, Keshav. Please rejoin the queue for more questions. The next question is from the line of Udit Gajiwala from Yes Securities.
- Udit Gajiwala:** Firstly, the one thing you mentioned of gaining market share, but clearly, versus the listed peers, there is still a bit of underperformance. And with the steps that you mentioned to a participant a couple of questions back, ex of pricing, there are other strategies as well, but that will still come at a cost.
- So I mean, again, if the volume growth comes up, do we expect some margins to be under pressure? Is that a fair understanding? I agree that your focus is on both. But given the tepid environment, can we see that also occurring for volume growth, you may have to compromise on margins or vice versa?
- Nihar Chheda:** So see, there are certain players who have grown. I agree, and there are certain players who have degrown also, while we have been flat. Overall industry has degrown. So in that context, I was saying that market share has remained intact or volumes have remained intact. I think -- see, today, we are competitive, as far as finished good pricing is concerned.
- So it's not like we have become outpriced in the market. And end of the day, see -- what is important to see is we are not a kind of industry where I have to focus either on volume growth

or on profitability. Both go hand-in-hand, the way my cost structure is. It is mostly fixed or partly semi-variable.

So end of the day, the more I sell, the more profitable I am, especially at the operating margin level. Operating leverage has a big part to play. So simply, if you look at if I had grown at kind of even a 5%, 10% volume growth in quarter 2, the margins would have -- the operating margins would have been significantly better. And that's something that we obviously realize. So it's -- I don't see it -- both goes hand in hand.

I don't see it as a payoff, that either we grow or we have a healthy margin. I think definitely, it has been demonstrated that in this industry, regardless of how the demand scenario is, a profitable volume growth is definitely possible, and that's what we are gunning for. We have to be competitive. I am not immune to the forces of demand and supply. But the more I sell, the more profitable I will be.

And I'm -- we have added capacity aggressively. So focus is on growing market share, especially where we are putting up new plants in Telangana and Bihar. So South and East, we need to be gaining market share.

And also, if you see the quarter performance, there has been certain geographies where we have grown well and certain geographies where we have sort of de-grown. So the challenges that we have in terms of volume growth are related to certain specific markets. It's not that it is happening at a pan-India level.

In certain markets, we have posted very good growth in line with the top 2 peers or even better than that in certain markets. So we have identified those markets. It will take some time, but these volume growth challenge is restricted to a couple of zones rather than a pan-India issue.

Our focus is going to be towards those markets to ensure that if we are able to keep volumes intact in those markets, overall, we will be able to have a very good kind of a volume growth in the second half of this year and more importantly, from next financial year as well.

**Udit Gajiwala:** Yes, that answers, sir. And just if I have missed, what was the bathware revenue and the EBITDA loss for Q2 and H1?

**Anand Gupta:** So for H1, bathware revenue is at around INR22 crores. And it is -- so last year, quarter 2, we had done INR7 crores. Against that, we have done INR12 crores, which is around 40% growth over the last quarter. And the consolidated loss for the H2 is around INR10 crores -- H1.

**Udit Gajiwala:** And for the quarter, sir, is it possible to quantify?

**Anand Gupta:** INR5 crores.

**Moderator:** The next question is from the line of Aditya Vora from Sohum Asset Managers.

**Aditya Vora:** Congratulations on a good set of numbers despite challenging times. So I had 2 questions. One is more of a generic question. Is it fair to assume that the industry has kind of bottomed out and

the worst is over, and this comes from the fact that you've been guiding that the second half is going to have a 15%, 16% volume growth for prince

So is it fair to assume and since you've seen many cycles, and this was particularly an elongated one. So where are we in terms of the cycle in terms of the piping industry?

**Nihar Chheda:**

So I think prices have bottomed out. And with the duty coming in, the sentiment will improve. So I'm not looking at the inventory gain or loss, but I'm just looking at improvement in the sentiment, which is a structural thing.

It's not a one-off, where dealers will not hesitate from keeping inventory going forward. So I'm not looking at the one-off restocking or one-off inventory gains. I think that's part and parcel of the cycle, and we are not focusing on that.

But overall, distributors will not hesitate from keeping inventory, which they have been for the past 1 year. So that is the first point, which I think that structural improvement we should see with the duty coming in, in this quarter. I think from fourth quarter onwards, there should be a healthier operational performance for Prince.

And what has happened as a silver lining in these 12 months, there has been a further acceleration of consolidation. So smaller players have really faced a challenge in this kind of a market. And this is not only -- I'm not just going by growth numbers or any commentary, but this is -- I'm talking actual feedback from the ground level when I interact with our channel partners and our sales team that unorganized players have eroded, and it has been a significant shift from the smaller players to the larger players. Which is why even in this kind of a challenging demand environment, every -- one thing is all the commentary coming across is there is a challenge in the industry.

But the good part is that the larger players, we have been holding on to volumes or growing our volumes because the smaller players are facing a challenge. And we are decentralizing our manufacturing footprint aggressively. So with that, especially from next financial year onwards, I do expect healthy operational performance.

**Aditya Vora:**

Right, right. And secondly, in terms of overcapacity, I mean, do we see -- when do we see overcapacity getting corrected because currently, the utilization levels are not very healthy in the industry. But going forward, when demand picks up, is it, say, FY '27? Or when do we see overcapacity being corrected?

**Nihar Chheda:**

I would see -- I would like to zoom out a little bit. I'll come to your question. But before that, I would like to give some context because this is something that I have thought about a lot. If you look at the past 4 decades of Prince's growth journey as well, one of the things that I think has been key to our growth has been the ability to put up capacity well in advance of any uptrend of demand.

See, no one can predict. Even as a promoter, I cannot exactly predict when demand will improve. But it's very important that when that up cycle in demand comes, we have that capacity in place. There have been times where there have been up cycles in demand, and we just did not have the

capacity to cater to that demand. If you look at 2019, 2020, those kind of years where we saw very good growth, but the growth could have been much better if we had additional capacity.

So today, it looks like, okay, we have overall very high capacity and a low utilization because a large part of our capacity has been put up over the past 3, 4 years. But I think if you zoom out, it's that ability to put up -- have that risk appetite to put up those capacities in different geographies well in advance because we have the luxury of a strong balance sheet to be able to do that.

I think when that upcycle demand comes, these kind of moves really pay off. So that is the first part of my answer. And secondly, if you see, I think with -- I think sentiment has already started to improve. And I think going forward, from fourth quarter onwards, you should see a normalization in volume growth and in margins.

**Moderator:** The next question is from the line of Pujan Shah from Molecule Ventures.

**Pujan Shah:** My first question pertains to -- as you briefly discuss about the ADD. And there is -- so we are right now witnessing a dry channel inventory from channel partners also. So why is it -- it shouldn't be considered that once the ADD comes into place, there should be a sudden spike of INR5 to INR6 rather than it should grow gradually?

Because first of all, there is -- first of all, destocking will stop and ultimately, channel will try to build up the inventory. So just wanted to understand your view why it shouldn't be a onetime -- it should be a spike rather than gradual improvement?

**Nihar Chheda:** I appreciate what you're saying, and I agree. My only point was that we are not focusing on that. See, I cannot think like a trader. I have to think like a manufacturer. I cannot speculate what, how much the pricing will move up by. What you're saying could very well turn out to be true and is a likely scenario that after this kind of an elongated volatility in raw material and one way downward trend, INR5, INR6 could be fairly imminent as well.

My point was -- I'm not challenging whether it will be onetime or whether it will be over time. I'm just saying today, my focus, that's not controllable for me, right? That's not a controllable. We have to focus on what we can control. We can control putting up capacity, expanding our channel, being ahead of the curve with product innovation within the piping space as well and continuing to invest in brand visibility. So these are the controllables.

We -- however, the pricing will move, we will, of course, move and we are a pass-through industry, and we always have been like that, which we will pass through to the channel, whether it is upward or downward. My limited point was that's not a controllable. So we are -- our focus is not on that. And we are prepared with capacity, with inventory to be able to cater to any demand even if we see a sudden surge. I hope that clarifies.

**Pujan Shah:** Yes. I see more or less clear. My second question would be on the CPVC. So right now, our total -- from the total production, we procure our RM from Lubrizol, right? So whenever like recently, we have expanded the capacity, do you still planning to procure from Lubrizol only for 100% procurement for RM or we will be thinking for the second supplier as well?

**Nihar Chheda:** So going forward -- yes, thank you for the question. We will be looking at the demand-supply scenario. Obviously, supply of CPVC is increasing locally, which is very good for the industry. And I see over the next 5 years, there will be a very strong CPVC growth at an industry level.

And being one of the largest CPVC pipe manufacturers, we do see ourselves not only participating in this growth, but leading the growth. So we are diversifying our base of sourcing CPVC raw material. And we have also launched our own brand of CPVC going forward. So that is going to be one change going forward as far as our CPVC strategy is concerned, which is very much in line with the changing dynamics of the CPVC industry.

**Moderator:** The next question is from the line of Akash Shah from UTI Mutual Fund.

**Akash Shah:** Sir, the question was -- I mean demand improvement is a sort of external variable. But if I -- if we were to check, sir, basically wanted to understand any changes that we are making in our sales team or any changes in distributors or any changes in management team's structure or any gaps in the management team that has been plugged. Sir, so internally, any key changes that we are doing to try and improve the growth -- volume growth of the company?

**Nihar Chheda:** Yes. I think we have strengthened our sales team at the foot-soldier level as in feet-on-street and at the regional head level. So we have strengthened our team, gotten a lot of experienced people. We already have a strong core team. And as we grow and add capacity, we have further strengthened our team.

And as far as distribution is concerned, I think we are looking at some few particular geographies which we have identified over the past quarter where we need to aggressively add channel partners. So in those territories, obviously, we try to expand our network across pan-India, but a few states that we have identified where we need to strengthen the network, which I think will take a couple of quarters.

So by March, I think we will be expanding distribution footprint in those focus states. This cannot happen overnight, but in a couple of quarters' time, we will be going through a network expansion drive in a few states that we have identified internally, where the focus will be more than what it is at a pan-India level.

**Akash Shah:** Sure. And also, sir, I wanted to check by when do we expect the bathware business to breakeven?

**Nihar Chheda:** I think in a matter of 4 quarters, we should be there. This revenue that you see is mainly coming only from 2 zones, North and West. South and East, we have just put up the team in these first 6 months.

So channel is being built. So essentially, this number of INR12 crores in the second quarter has come in only from North and West. So once the pan-India revenue starts trickling in, the loss will significantly decrease. And then eventually in 4 quarters, it should -- the bathware business will be independent of the piping business.

**Akash Shah:** And just last bit, sir, how is our pricing...

**Moderator:** Sorry to interrupt, Akash. Please rejoin the queue for more questions. Thank you.

The next question is from the line of Utkarsh Nopany from BOB Capital.

**Utkarsh Nopany:** Sir, just wanted to know like, if you can provide some color how the demand is shaping up in the retail side of the business and the project side for the plumbing pipe division? And what is the share of our project business at the moment? And where do we see this share to shape up over the next one to two year period?

**Nihar Chheda:** So I think private projects continue to do well. Of course, we will have up and down quarters in real estate. But I think structurally, over -- at least if I can speak on the next 3-year horizon, I do see the private sector projects doing really well, where previously, our share of projects used to be around 15% and 85% was the retail distribution segment. I think this today would be around 25% is projects and around 70-odd percent comes from retail and distribution.

Going forward, if I have to project, I will not talk in terms of contribution because we have to still grow on retail distribution as well. So the way I would see it is the growth has to be higher in the project space. So we should definitely be having year-on-year, we should be growing at kind of 20%, 25% in the project space.

So that overall, as a company, we are able to have double-digit growth. And in the project space, while we have done well, I'm still not happy with where we are in terms of our market share in projects. And we have a long way to go. So we have tried to reduce the gap between the top 2 players and us in projects, but still we have a long way to go over the next 3 years.

**Utkarsh Nopany:** Okay. And sir, if you can also provide some color on the retail side because our sense was that the retail side of the business is struggling the most. So if you can provide some sense, are you seeing any pickup in demand on the retail front?

**Nihar Chheda:** So see, retail is a function also of the stocking behavior, right? So in distribution, what -- in projects, while it is routed through the distributor, the credit risk has not taken on our books. We -- it is -- it's not connected to the pricing cycle of PVC because project is going to need piping at the right time.

But when it comes to distribution and retail, there is -- primary volumes are not always reflective of end product demand because of restocking or destocking behavior that is done by the channel partners. Overall, once this -- the duty is in place, I think sentiment will improve and primary volume growth will be more reflective of end product demand.

**Utkarsh Nopany:** Okay. Sir, my second question is on the CPVC portfolio. So our understanding was that domestic CPVC pipe is growing at...

**Moderator:** Sorry to interrupt, Utkarsh. Please rejoin the queue for more questions. We have other participants waiting for the turn. Thank you.

The next question is from the line of Ronald Siyoni from ICICI Securities.

**Ronald Siyoni:**

Congratulations on good set of numbers, especially on the margin front. My question was on the demand side, like Jal Jeevan Mission, we are hearing a lot of difficulties that is ongoing trend and it may continue and it may not materially contribute to the demand and affordable housing has been weak.

And a little bit to your outlook on these segments. And although the government is making efforts to revive affordable housing, but what kind of affordable housing share do we have there and whether Jal Jeevan Mission would be like this and it may not contribute meaningfully this year and next year onwards? And your overall, if you can give some guidance on '27, '28 in terms of volumes and margins?

**Nihar Chheda:**

Yes. Thank you. I think Jal Jeevan Mission has never been a big part of our volumes to begin with. We have stayed away from the government business because of extended credit cycles. And for our existing business itself, we are on a drive to reduce our receivables and improve the quality of our sales. So it is counterproductive to then focus on government sales where credit cycles are extremely elongated.

So we have done whatever we can in government through our distributors to a limited extent. So any slowness in the Jal Jeevan Mission is not really impacting the performance of Prince Pipes. As far as affordable housing is concerned, I think it's -- different geographies are behaving differently.

The good part is, I think private projects are doing well. So I think like the pipe industry, even real estate has seen its fair share of consolidation. So large players, branded players continue to do well. You could see a quarter up and down.

But overall, I think the cycle is good and large builders seem to be buoyant. All the key accounts that we handle as well when I'm interacting with them, I think there is a very strong project pipeline. And demand overall over the past few years has been good, and they believe that it will continue to be good over the next few years. So I am optimistic that both retail distribution, plumbing agri and private projects will continue to do well. And that is reflective in the kind of capacity addition that we are doing and putting our money where our mouth is.

**Ronald Siyoni:**

What's the outlook on '27, '28?

**Nihar Chheda:**

I mean we will have a positive base impact in the next couple of years because past couple of years, growth has been muted for the industry. So I think over '27 and '28, I think we should see good growth at an industry level, and we will be a major beneficiary of that.

And with now decentralizing of our manufacturing footprint, we will be able to sort of drive this growth even in newer geographies where unorganized players may have a higher market share now.

But as we are putting up new plants in new markets, moving closer to the market, adding channel partners, I think over the next couple of years, we should have a robust double-digit volume growth in FY '27 and '28.

- Moderator:** The next question is from the line of Keshav Lahoti from HDFC Securities.
- Keshav Lahoti:** I want to more understand, as you highlighted, you are going on CPVC owned brand, what things you are changing and how you plan to take it forward?
- Nihar Chheda:** Yes. We will be having key announcements coming in over the next couple of weeks, in terms of what our strategy on CPVC is. But I think I've highlighted the bigger picture in terms of how we are going forward. And CPVC will continue to be the key driver of growth for the industry and for Prince as well.
- Keshav Lahoti:** So have I understood correct? It means no tie-up with Lubrizol, you're getting in your own sort of CPVC brand, which will just have the Prince Pipes mentioned over pipes?
- Nihar Chheda:** See, we have to be -- you are right, we are in line with the industry. As supply is improving, we have to look at cost efficiencies, especially to be competitive with the top 2 peers. And as CPVC demand has grown, the price sensitivity in CPVC has become higher for the channel partners and at the end product level. So we have started our own brand in CPVC. I hope that answers your question.
- Keshav Lahoti:** Yes, that pretty well answers my question. One last question from my side. It is fair to assume there was no inventory loss or gain for this quarter?
- Nihar Chheda:** Yes.
- Moderator:** The next question is from the line of Akash Shah from UTI Mutual Fund.
- Akash Shah:** Sir, just wanted to check once. Sir, how would our pricing be different versus top players in different markets for like products?
- Nihar Chheda:** Yes. So there are; plumbing, agri, drainage, there are three main categories. And pan-India, there is a slight variation in pricing for all players. But today, if I have to talk as a thumb rule, pan-India across plumbing, agri and drainage, we are competitive and our pricing is in the same range as what it is for our 2 or 3 peers. There could be a slight variation from market to market depending on the -- each market has a different dynamic. But yes, we are in line with the peers.
- Moderator:** The next question is from the line of Shravan Shah from Dolat Capital.
- Shravan Shah:** Sir, capex for 1H we have already done in terms of cash flow, INR124 crores. So for full year, how much? And going forward, as you are highlighting that we will not shy away in terms of adding capacity. So how one can look at capex for '27, '28?
- Nihar Chheda:** So I'll answer the second part and then the first part, Anand will come to it. I think we have just gone through a major cycle of capex and putting up very large capacity in Telangana and then in Begusarai in Bihar.
- So I don't foresee any major capacity addition for existing product line in FY '27. There could be some expansions that we do in new products in piping. Specifically, where we are focusing

on a few value-added products, which we will be launching in the fourth quarter and the first quarter of next year.

We have a couple of new product launches coming up where gross margins are going to be better, which will help our product mix in the medium term. But for our existing PVC and CPVC, I think we have done a major capacity addition. And to further highlight not only in Telangana and Begusarai, but we have done debottlenecking at existing facilities as well. So from a capacity addition point of view, FY '27 will be low.

**Anand Gupta:** And for H2 -- see, for the H1, what we have done is 70-50 is the ratio of our capex. INR70 crores Bihar and INR50 crores operational plant. So H2 will be -- the operational plant will be at the same level of INR50 crores to INR60 crores. And we have a committed liability of Aquel, which will come as INR45 crores to INR50 crores. So INR110 crores is something what we are expecting as a cash flow for H2. That includes Aquel as well.

**Shravan Shah:** Okay. Got it. And lastly, in terms of bathware, when we say over 4 quarters, we'll have a breakeven. So that is Q2 FY '27. So currently, INR12-odd crores run rate, where it can reach so that we are looking at a kind of a breakeven?

**Nihar Chheda:** So we need to achieve INR25 crores to INR30 crores of sales per quarter.

**Shravan Shah:** So -- do we see in the second half, where can this INR12 crores can reach and in the 1Q and 2Q of FY '27, are we kind of...

**Moderator:** Sorry to interrupt. Please rejoin the queue.

**Shravan Shah:** I was just completing that. So just wanted to check that by 1Q and 2Q on an average of next year, FY '27, we should be having a kind of a INR25 crores kind quarterly run rate so that we should be able to have a breakeven?

**Nihar Chheda:** No. So like I said, we will breakeven in 4 quarters. Right now, we have started with North and West. South and East revenue will start coming in by fourth quarter. So I think third quarter will be in line with the second quarter.

And structurally, then from fourth quarter onwards, you will see revenue coming in from other zones and as well as North and West also, we have expanding in terms of adding new distributors in many districts. And we have a very strong project pipeline also. A lot of key developers who are today using Prince Pipes, we have -- we are servicing them with Aquel

So with new distributors coming in, a strong project pipeline and geographical expansion to South and East, I think from fourth quarter onwards, you will see structural improvements in revenue, which eventually from September quarter, we will see a kind of breakeven in numbers.

**Moderator:** The next question is from the line of Pujan Shah from Molecule Ventures.

**Pujan Shah:** Sir, my first question pertains to -- we have seen a sharp correction in CPVC prices right now, resins. So first of all, do you believe that the ADD in PVC will help to hike or get better realization in CPVC or due to steep imports coming from Malaysia and other countries, this

cheaper RM due to cheaper RM sourcing, the prices will remain the same as line as equivalent to pertains right now. So what's your view on that part?

**Nihar Chheda:**

I think CPVC prices will continue to be competitive. You're right. PVC prices will firm up, but I don't think that will have any impact on -- major impact on CPVC. I think -- and I don't see a further correction in CPVC prices as well. I foresee a stable CPVC pricing. And if you see over past sort of 5, 10 years, CPVC prices are not very volatile. In 1 year, maybe prices change 2 or 3x. It's not a commodity like PVC.

So while supply is increasing, I -- so there are 2 things. One is input prices may increase slightly. It's not a major increase in PVC. And -- but with overall supply position improving locally for CPVC, I think CPVC prices going forward should remain stable with no major upside or downside.

**Moderator:**

The next question is from the line of Sucrit D Patil from Eyesight Fintrade Private Limited.

**Sucrit D Patil:**

I have a forward-looking question. As more players entering the piping and bathware space, what is Prince Pipes doing to build a strong edge? Not just through plant count or product range, but something deeper, like a way of working or something that goes over time and makes your competitors hard to copy?

**Nihar Chheda:**

I think apart from the points that I mentioned of capacity addition and network expansion, I think one key is adoption of technology in digitizing the value chain. We have -- already, we are live with our distribution management and sales force automation systems, where we now directly have a visibility of retailer-wise sales across geography.

So traditionally -- and we have been ahead of the curve in the industry with tracking secondary sales. So today, we have a very strong retailer base of retailers who have been using Prince Pipes since 4 decades now. But we now have a complete visibility of retailer sales, which ensures that we have more control on the market, more visibility on how each market is moving.

And our -- we have -- with that, we have also invested in sales force automation through which we are able to improve productivity of our sales executives, our feet on street and track that productivity to ensure that the sales team is accountable for increasing not only primary distribution network, but eventually, what is important is increasing our secondary footprint in terms of adding new retailers for our channel partners, which ensures that the growth is more sustainable, and it is not only driven by pricing, but also driven by brand. So along with investments in the brand, we have also made investments in technology. These investments we've made over the past couple of years, which now are playing out.

We are also able to directly give schemes to our retailers, directly from the company to the retailer, which strengthens our control over the market and ensuring that the penetration for our products increase in a more sustainable manner.

So to answer your question, adoption of technology for distributor management systems and sales force automation, being ahead of the curve compared to the industry. This is one more sort of lever for growth apart from the ones that I mentioned in the previous question.

**Moderator:** Thank you. Ladies and gentlemen, this was the last question for today. I now hand the conference over to the management for closing comments.

**Nihar Chheda:** Thank you, everyone.

**Anand Gupta:** Thank you.

**Moderator:** Thank you, sir. On behalf of Prince Pipes and Fittings Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.