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PRINCE PIPES AND FITTINGS LIMITED

Ultimately, It's our consumer who has to win

IT HAS BEEN A 3-DECADE JOURNEY FOR PPFL. WHAT ARE PRINCE PIPES' CORE VALUES THAT HAVE BEEN PASSED ACROSS 3 GENERATIONS OF ENTREPRENEURS?

The journey that started in 1987 continues to be gratifying and exciting. Over the years, PPFL has emerged as one of India's largest & fastest growing multi polymer processing company providing integrated piping solutions.

Our core values are the way of life at PRINCE. A strong system-based approach has ensured transparency and reflected in every aspect of the business.

Also being a compassionate corporate citizen and promoting societal welfare – have been very fundamental traits carried forward across generations. These aspects remain unchanged and drive us to develop global expertise to offer best-in-class products and build a value creating business.

The one thing that is common across generations has been passion for this business. All our strategic efforts towards business growth and expansion are guided by our core values centring on ethics and integrity.

THE INDIAN PIPES AND FITTINGS MARKET HAS BEEN GROWING AT A CAGR OF 10-12% AND EXPECTED TO GROW FASTER. WHAT ARE THE GROWTH DRIVERS? AND WITH GROWING COMPETITION, HOW DOES PRINCE PIPES DIFFERENTIATE ITSELF FROM THE COMPETITION?

India continues to be in a precarious situation with around 600 million facing high to extreme stress over water.

The Government of India has undertaken timely efforts recognising the urgent need to address the safe water transportation issues. Initiatives including Swachh Bharat Mission – to achieve universal sanitation coverage and awareness creation, Amrut – providing basic civic amenities like water supply, sewerage and improve overall quality of life and Smart City Mission – to drive economic growth and improve the quality of life.

We continue to expand our distribution network and reach across urban, semi-urban, and rural India and our growth strategy of 'Winning in many Indias' has been playing out well. It establishes our differentiation within the industry while enabling us to expand market share. We have also been able to offer world class product quality by integrating newer technology and enhancing our manufacturing efficiencies.

With several drivers that have compelled industry consolidation, we are very aggressively leveraging such opportunities by studying consumer preferences, investing in brand awareness, premiumization and market education. All these initiatives are already delivering strong outcomes in riding the shift from the unorganised to organised play.

Other key factors such as rapid urbanisation which we believe will continue to drive demand, also signals the importance of new market penetration and making new in-roads for our wide bouquet of products already available.

Leveraging both strong head and tail winds, Prince Pipes has focussed

on building very strong capabilities in manufacturing, product innovation and diversification and forging global alliances for quality enhancement and technical knowledge. All these strategic growth efforts continue to sharpen our competitive edge.

CAN YOU DEFINE THE PLANS FOR THE FUTURE IN TERMS OF EXPANSION AND GROWTH?

All our strategic efforts undertaken are now delivering visible results. We have always remained ahead of the curve as in 2008 we were the 1st company to venture into North India and established a plant at Haridwar, in 2012 we acquired the Chennai and Kolhapur plant, in 2014 PPFL was an early mover into Eastern India with a unique asset light model. Subsequently in 2020-21 our association with Lubrizol – the inventors & largest producers of CPVC compound in the world, to market the brand under the Prince Flowguard Plus has been gaining ground strongly and in 2021 we also inaugurated our 7th manufacturing facility in Telangana to address the Southern markets. All these strategic efforts continue to augment our growth plans, also supplemented by the consolidation within the industry, as well as our high decibel targeted branding and marketing initiatives.

In addition to leveraging the opportunity to cross sell PVC and CPVC systems, our focus is now on the secondary retail network. We are the first in the industry to launch Udaan a loyalty program for retailers and plumbers through which we have been able to build a strong connect with retailers and

plumbers across the country. We are ramping up investments in technology to strengthen Udaan. This will help us to increase the visibility and accuracy of plumber level data and help us to intelligently use a data driven pull system of sales rather than a conventional push system. Product expansion, project forays and team building are other pillars of growth that in process of being explored. We recently launched water tanks majorly on asset light model & products pertaining to Industry & Project network shall also be in focus.

WHAT STRATEGIES DOES PRINCE PIPES HAVE IN PLACE TO IMPROVE YOUR SUPPLY CHAIN AND BUILD LONG-TERM RELATIONSHIPS WITH KEY SUPPLIERS?

Considering the current disruptions globally, coupled with the rising demand for polymers, securing supplies will remain key. We have been partnering with key suppliers to ensure security of supply and to leverage competitive pricing. We are undertaking several initiatives to build greater synergies between Despatch, Warehouse teams, Production planning & Scheduling. We also consistently review other important aspects like good credit terms, develop long term strategic partnerships to drive volumes, value-driven relationship across all levels or tiers of suppliers and are also widening our supplier base. We have a strong Dealer Management System and clear MOUs with key vendors to ensure a robust supply position considering our requirements in advance.

Towards strengthening the business model, our vision of developing an asset light model – has been positively supporting our financial health. We also have our own manufacturing units and depots to service the market better. Towards adopting a more futuristic supply-chain discipline, we are exploring new technologies to help us plan demand-supply modalities better.

Over 3 decades, we have built strong trusted relationships with

our suppliers and vendors that have helped both parties to navigate such challenging times together.

SUSTAINABILITY AND FOCUS ON THE TRIPLE BOTTOM LINE HAS GAINED CENTRE STAGE. CAN YOU ELABORATE HOW PPFL IS AIMING TO ATTAIN TBL GOALS?

These challenging times during the pandemic showcased the value of environment and sustainability. We are dedicated to manufacturing products which are smart, resourceful and pro-environment. Our plants set up over the last few years, are designed & aligned to latest energy saving techniques.

Our TBL goals towards Financial, Environmental and Social are well defined and focus on embracing green energy across factories, improving equipment efficiency and machine output and consistent energy audits to curb energy leakages.

These efforts continue to be translated into visible results as we have reduced greenhouse emissions by over 23% over the past 4 years, we are replacing conventional high energy consumption with energy efficient equipment and our implementation of solar panels in manufacturing facilities have saved electricity equivalent to burning 2.7 million pounds of coal burned per year. Supporting the plumber's community through our annual flagship event on The World Plumbing Day, building industry awareness, undertaking various labour oriented welfare schemes are various ways we implement our focus on social and community welfare.

WHAT ARE THE MAIN CHALLENGES IN THE INDUSTRY AND WHAT NEEDS TO BE DONE TO EXPAND THE USE OF HIGH QUALITY, RELIABLE PIPING SYSTEMS AND PRODUCTS?

The industry continues to witness heavy dependence on raw material imports driving price volatility & irregular supplies during unprecedented times like Covid 19.

Other issues like duplicate, fake and low quality products are serious challenges. Prince Pipes is taking strict action against duplicates and all such cases are already being dealt with swift legal action. We are constantly undertaking market scans to weed out such cases swiftly as they are serious offences on brand identity. Offenders are being dealt with stern action to protect Prince Pipes' credibility which continues to be nurtured over 3 decades.

The initiatives taken by GOI in implementing stricter control over inappropriately marked ISI products shall add strength to the efforts made by the Industry.

Role of Social media has been instrumental in reaching out to a large number of audiences in educating them about the merits of Branded Products, and helping end users being part of the decision making typically for products like ours that are hardly seen by the User.

This leads to creating a strong awareness with end-users about fake, duplicate & low-quality products which will help in phasing this challenge out. Brand awareness also entails making the right product available for right applications. We are already actively implementing these efforts in driving a shift from choosing unbranded to high quality, reliable branded products which includes working to bring about a change in the mind set of Indian customers to becoming brand and quality aware.

Another key point is to create awareness about the innovative products which are replacing the conventional products and to guide not only end users but also key participants in the supply-chain process; how and where to use those products. For eg. larger diameter underground sewerage applications instead of RCC we should use DWC pipes, for lower diameter we should use Foam fit pipes.