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PIPING HOT!

Siddharth Bansal, Director, Skipper Ltd outlines the company's plans to tap the growing demand government sector and spread the plastic piping system division's geographical presence

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PIPING HOT!

The polymer pipes and fittings division of the Rs 1,700 crore Skipper Ltd, Skipper Pipes, is looking to double its turnover to Rs 700 crore by the end of this fiscal, backed by geographical diversification and focusing on the plumbing and B2B businesses. It has a turnover of close to Rs 330 crore at present and accounts for around 19 per cent of Skipper's total revenues. Siddharth Bansal, Director, Skipper Ltd, in an exclusive interaction with ET Polymers, outlines his plans to tap the growing demand from the government sector under the JJM and spread the plastic piping system division's geographical presence beyond the north and eastern part of India. Edited excerpts...

By Rahul Kamat





Building any sort of loyalty in a competitive market is extremely difficult, and even more so when it comes to a commodity business.

That said, built on a strong foundation of loyalty, with total retailer touchpoints over 25,000 plus (nos) and monthly billed retailers of 5,000 plus, Skipper Pipes, the polymer pipes and fittings division of the Rs 1,700 crore Skipper Ltd, is all set to tap into the growing demand from the government sector under the Jal Jeevan Mission (JJM). The JJM aims to provide safe and adequate drinking water to all households in rural India through individual household tap connection by 2024; apart from tying up with private residential complexes, and projects for plumbing needs.

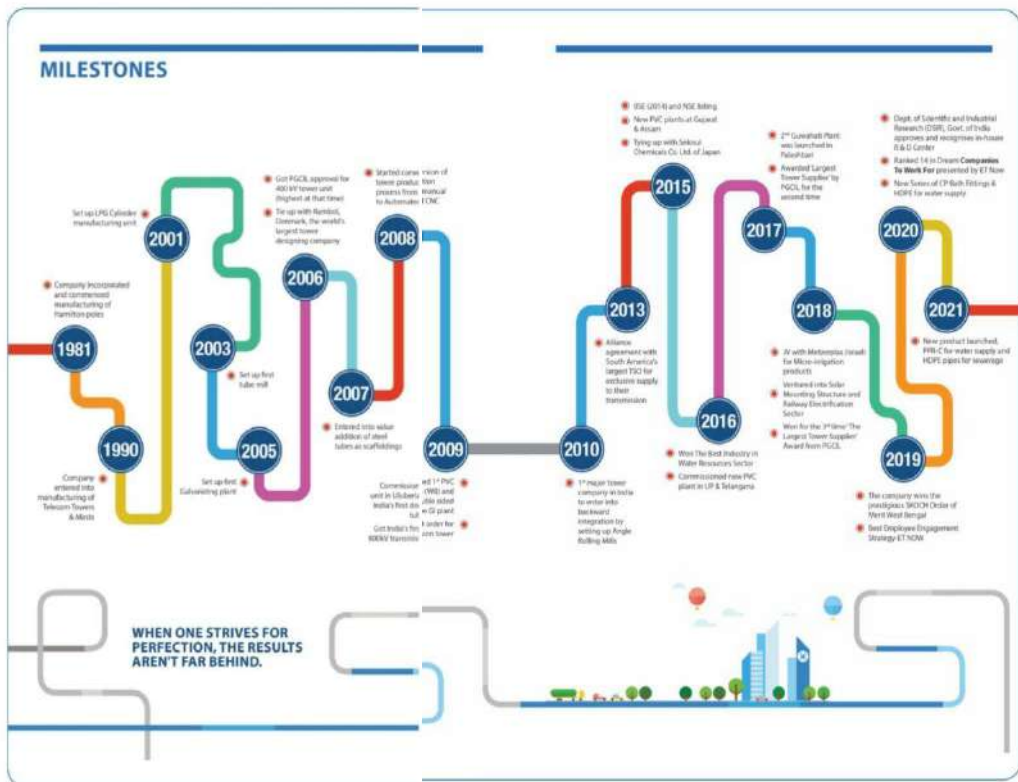
Speaking on the piping business, **Siddharth Bansal, Director, Skipper Ltd**, said, "the company has a total installed capacity of close to 52,000 tonnes per annum for polymer pipes and fittings, and it caters to agriculture, plumbing and sewage, borewell and bathroom fittings."

According to Bansal, plans are afoot to tie up with private residential complexes and projects for plumbing needs and is looking to double its (Skipper Pipes) turnover to Rs 700 crore by the end of this fiscal, backed by geographical diversification and focusing on the plumbing and B2B businesses. It has a turnover of close to Rs 330 crore at present and accounts for around 19 per cent of Skipper's total revenues.

The company has an installed capacity of around 52,000 tonnes in Udhubiya, West Bengal and in Guwahati, Assam, however, Bansal suggests the company is yet to utilise the full capacity. Going ahead, the company is building a strong team and trying to get empanelled in the government's JJM programme.

Geographical Diversification

Skipper Pipes, which lacked off its



operations in 2009-10, was primarily focused on the eastern and north eastern markets till 2015-16. It gradually started making inroads into other markets in 2017. "East and northeast currently account for nearly 55 per cent of our total sales and the remaining 45 per cent comes from South and central India," divulged the Bansal clan. "South is currently a small market for us. We are present in a few markets including Andhra Pradesh and Telangana. We have started focusing on markets in Karnataka and Tamil Nadu, and we want to create our presence in these regions as well including the west," he said.

With an installed capacity of 52,000 MTPA, Skipper differentiates itself by offering high-quality but cost-effective piping solutions. That said, Skipper is the only polymer pipe company in India to implement TOC in the product of its operation portfolio.

- UPVC Pipes
- CPVC Pipes
- SWR Pipes
- Agriculture Pipes
- Borewell Pipes
- CPVC Solvent Cement
- Fitting accessories (for all the above types of pipe)

According to Bansal, the market for polymer pipes and fittings is esti-



mated to be close to Rs 35,000 crore and is projected to surpass Rs 50,000 crore by FY 2024-25, clocking a CAGR of 10.8 per cent for the FY 2020-2025 period. Of this, nearly 50 per cent comes from the unorganised sector. Agriculture pipes account for the biggest chunk of the market followed by the residential segment.

For Bansal, one of the reasons

to get into the PVC pipe business was the growing demand from agriculture, automotive, building & construction, electrical, and other end-use industries. Also, the government's initiatives like 'Housing for All', 'Nal se Jal', Atal Mission for Rejuvenation and Urban Transformation (AMRUT) project, and Swachh Bharat Mission.

Key Differentiators

- The largest manufacturer of PVC pipes in West Bengal and possesses one of the largest polymer pipe capacities in Eastern India.
- Only polymer product manufacturing companies that implement Theory of Constraints (TOC) in an organised manner, currently deriving 75 per cent of overall revenue through TOC channel network
- Leverages technology alliances with international majors to produce better quality. Currently engaging with more than 25,000 retail sales touchpoints and planning to double the same in the next two years.
- Retailer touchpoint increased manifold (up to 10 times) in the last two fiscals
- Collaborated with Sekisui (Japan) for the production of CPVC compounds for advanced plumbing solutions.

Growth Drivers

Bansal told ET Polymers that the mounting need for clean water in all residential and commercial projects will drive the growth of plumbing pipe and fittings products. Further, the amplified demand for housing which is attributable to the ever-increasing population as well as the rise in personal disposable income will also drive the overall growth of this segment.

When asked about the shift in demand for CPVC pipes, Bansal explained, "there has been a drastic shift in demand from metal to polymer-based pipes, especially in

plumbing and piping application in the construction industry. This has led to an increase in the usage of plastic pipes and the emergence of CPVC pipes for hot and cold-water plumbing.”

Also, to encourage the sector, the Government of India (GOI) has been placing orders for sewage, water supplies, and plumbing pipes. A continuous increase in the allocation of irrigation and housing by the Government of India is going to give momentum to the piping industry. With the rapid population growth, there has been an increase in demand for residential applications of pipes also.

The Government at the centre and states has put the priority focus on Jal Jeevan Mission, Swachh Bharat Abhiyan, sanitation and affordable houses for all and the development of 100 smart cities in all India basis. NITI Aayog has declared the following as growth drivers across the country:

Highlights For The Year 2021-22

- The company achieved the highest ever Annual revenue performance in Polymer Business in FY 2021-22 at Rs 330 crore, registering a staggering growth of 48 per cent over the last year same period
- Total retailer touchpoints over 25,000 plus (nos) in March '22 and monthly billed retailers of 5,000 plus (nos)
- Added new products in the polymer pipe segment - Launched "Marina" Water Tanks under the Skipper Pipes brand.
- Focus on plumbing portfolio post a good response from recently launched new products like CP bath fittings and accessories as well as water storage tanks

- Government infrastructure spending
- Increasing construction
- Increasing Industrial production
- Rising demand from the irrigation sector
- Replacement of ageing pipes
- Providing affordable houses to all
- Heavy investment by Government in irrigation, housing, and sanitation

“Almost all the above growth drivers will boost the business of the plastic piping system division,” said Bansal.

Going forward, Bansal foresees the stress brought about by the second wave of Covid-19 will cause further consolidation within the unorganised sector within the industry, in which smaller players with weaker balance sheets will be severely challenged. According to company estimates, this consolidation will add Rs 10,000 crores to the addressable market size for organised players in general. At Skipper, the company is already seeing the traces of this shift through the surge in demand for their products.

Business Revenues

According to Bansal, in FY 2021-22, the Skipper Pipes clocked Rs 330 crore in revenue. The polymer business comprises a portfolio of products finding applications in plumbing and agriculture. The segment accounts for 19 per cent of revenues of the company, of which the plumbing sector contributes 70 per cent of polymer revenues and the remaining 30 per cent contributed by the agriculture segment. The polymer business is consistently growing each quarter over the four quarters of FY 2020-21. In Q4 of FY 2021-22, the company reported its highest ever quarterly revenue of Rs 117 crore. 📈

