

# The implementation of TOC in our polymer business was a masterstroke



We look forward to increase our reach to 1,00,000+ touchpoints in the next few years, says **SIDDHARTH BANSAL**, Director & CEO, Skipper Pipes

## What is your take on the possible impact of the ongoing Russia-Ukraine war on the pipes and fittings sector?

The sanctions imposed by the West on Russia in response to the war have disrupted the global supply chains thereby impacting our overall imports. The unprecedented spike in the prices of raw materials such as resin has had an immediate impact on the industry and the way our business operates. Furthermore, raw material importers like us are also finding the landing cost dearer than in the past, which has led to a ripple effect on the finished product prices throughout India's pipes and fittings sector.

## How is the market for pipes and fittings used exclusively for the infrastructure sector shaping up in India?

The plastic pipes and fittings market in India is expected to grow with a double-digit CAGR during FY'2022 - FY'2026. Factors such as increasing demand for housing amid a rising population, an increase in disposable income have escalated the growth of this industry in India. The government's rising investment in housing and sanitation infrastructure under the

schemes-- 'Housing for All' and 'AMRUT' have served as the primary growth drivers for PVC pipes and fittings market in India. With an expanding economy, rising population, and rapid urbanization & industrialization, India's need for efficient water supply infrastructure is much more than any other country. Even at a relatively modest assumed urbanisation rate, India's sheer size means that 270 million people are still set to be added to India's urban population over the next two decades. This will automatically lead to rapid growth in the building stock and other infrastructure.

Additionally, the government's ambitious programme-- Jal Jeevan Mission that aims to provide water to each household will further boost the polymer pipe demand. The under penetration of water availability within the agriculture sector will spur the need for innovative drip irrigation solutions. We are also beginning to see the green shoots in real estate housing and commercial sector activities picking up. This will naturally translate into urban, industrial and logistics infrastructure expansion, causing much demand for our portfolio of products under Polymer business.

**There is a pragmatic shift towards better utilisation of technologies (IoT, AI, Industry 4.0) during the Pandemic. How have these technologies and innovations helped the company to plug sinking revenue if any, especially in the supply chain?**

The Pandemic has truly taught us many things. One of them is how to use technology in a productive way. Our supply chain is managed using a robust and dynamic software which keeps track of our inventory levels. Using principles of Theory of Constraints we've managed to keep our inventory levels and production cycles optimized. This had been very helpful in safeguarding us from the volatility and fluctuations in raw material prices.

**In the recent past prices of raw materials have increased considerably. How are you optimising the use of raw materials to ensure highest product quality with lowest ecological footprint?**

In recent years there is a growing concern over the impact on the environment due to the increasing consumption of PVC products. While the recycling of plastic is one of the most considerable options available to us today, it hampers the overall quality of the new recycled product as many mechanical properties get affected during the recycling and manufacturing process. At Skipper, we not only focus on maintaining the product quality but also ensure that our products leave the lowest ecological footprint. For this, we stress on blending of recycled PVC along with many other additives in different compositions with virgin PVC. Our R&D teams have been tirelessly working towards ensuring that Skipper products surpass all quality expectations of the customer.

**Dealers are an important link between the company and the end users. Please share with us your dealers' network?**

Skipper's Polymer Pipes is set for rampant growth with consistent market share gains taking shape over the coming decade. We have successfully been increasing our reach in the market on a month-on-month basis and we see huge growth potential for the company. Currently engaging with more than 25,000 retailer touch-points across the country, we are aiming to increase our national

touch-points to 1,00,000 touch points by FY24-25. Skipper provides an unparalleled service to its retailers. Our replenishment model ensures that no retailer is ever subject to stock dumping and month-end or quarter-end pressures. Along with this, Skipper's distribution network also provides next day deliveries at any quantities. To top all of this, the company binds its retailers and plumbers by means of very attractive loyalty programs, which benefit them and their families.



With a B2C branded business model added to our polymer division and a B2B institutional model we are optimizing our performance through our invigorated sales and marketing strategies. For us, channel/customer experience and satisfaction is the ultimate priority and we focus extensively on maintaining the same. We are inclined towards making a striking shift in our market share in the coming years and further strengthen our position within the competitive marketplace.

**What is your demand outlook for fiscal FY23-24 and where do you see growth coming from?**

India currently presents a collective opportunity

of 35000+ crores in the PVC piping business, which presents ample opportunity for large and organized players like Skipper to grow. With an innovative business model, we have ample headroom to scale up our business with the existing Capex already invested. Recording our highest ever quarterly revenue in Q4FY 2021 for our polymers business, the 'Skipper Pipes and Bath Fittings' brand has become the fastest growing preferred brand in our chosen markets. Currently, the PVC industry in India is valued at over Rs. 20,000 crores



with five major producers and over 6,000 processors, employing tens of thousands of people, making consumer and industrial products. The industry is expected to reach USD 4 billion in a few years. These growth numbers would also translate into Skipper's further growth and expansion of its product portfolio in the coming years.

**To keep abreast of the competitors a company has to continuously innovate and improve on its**

**products. How important is product development?**

New product development is a key requirement for business continuity. Without it, a business withers on the vine and either dies or is absorbed by another firm. Not only from the business aspect, but for the continuous improvement and upliftment of the society, constant innovation is mandatory. At Skipper we have increased our service offering, and had several new product launches in our Bath Fittings and Accessories category. Currently we are also focussing on adding more and more piping fittings that are needed for our plumbing and sewage sector. Recently the company also launched water storage tanks under the brand name "Marina". We are looking at more allied products in the bathroom and kitchen space. Under the Jal Jivan mission, heavy expansion in the Government Project space has led us to invest in our HDPE piping solution.

**What are your growth plans for your organisation for the next three years? Are there any plans for a new manufacturing facility or acquisition in the offering?**

The implementation of TOC in our polymer business was a masterstroke. With our strong product profile and sectoral presence, we expect that the business will continue to add to the company's overall top-line and bottom-line in the coming years. Over the past few years we have worked towards making the organization resilient. We have widened our product portfolio, expanded our market presence, and implemented TOC across all departments to make Skipper one of the preferred brands for any piping needs.

The company strengthened its customer focus through reinforcement of a service-driven strategy and set higher service benchmarks. We look forward to increase our reach to 1,00,000+ touchpoints in the next few years. Currently we have a capacity of 65,000, MTPA which suffices our current market requirement. However, we're keeping a close watch on our growth and will add capacities as required. We are working in a sector that is directly related to the nation's growth. And we are optimistic that infrastructure will continue to be the focus to drive India towards the coveted US\$5 trillion mark. Being a focused brand in the segment, we are optimistic that we will continue to play an increasing role in this in the coming years.

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