

NEAPS/BSE ONLINE

19th February, 2026

**The Corporate Relationship Department
BSE Limited**

Phiroze Jeejeebhoy Towers,
1st Floor, New Trading Ring
Rotunda, Dalal Street,
Mumbai – 400001
(BSE Scrip Code: 542905)

Listing Department

National Stock Exchange of India Limited

Plot No. C-1, Block-G,
Exchange Plaza, 5th Floor,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400051
(NSE Symbol: HINDWAREAP)

Dear Sir/Madam,

Sub: Transcript of the Earnings Conference Call held on 13th February, 2026

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of the Earnings Conference Call held on Friday, 13th February, 2026 for discussion on the financial results of the Company for the third quarter and nine months ended 31st December, 2025.

The transcript will also be available on the website of the Company i.e. www.hindwarehomes.com.

You are requested to take the above information on your record.

For Hindware Home Innovation Limited

Payal M Puri

(Company Secretary and Sr. V. P. Group General Counsel)

Name:

Payal M Puri

Address:

301-302, 3rd Floor, Park Centra, Sector-30, Gurugram-122001

Membership No.:

16068

Encl: As Above

Hindware Home Innovation Limited

Corporate Office: Unit No 201 (I), (II), (IIIA), (XVI) 2nd Floor, BPTP Park Centra, Sector-30, NH-8, Gurugram-122001
T. +91 124-4779200, e-mail: wecare@hindware.co.in | investors@hindwarehomes.com

Registered Office: 2, Red Cross Place, Kolkata- 700001, West Bengal, India. T. +91 33-22487407/5668
www.hindwarehomes.com | CIN: L74999WB2017PLC222970

hindware
smart appliances





Q3 & 9M FY26 Earnings Conference Call

February 13, 2026



MANAGEMENT: **MR. NIRUPAM SAHAY** – CEO, BATH AND CONSUMER APPLIANCE BUSINESS
MR. RAJESH PAJNOO – CEO, PIPE BUSINESS
MR. SANDEEP SIKKA – GROUP CFO

MODERATOR: **MS. NIKHAT KOOR** – DOLAT CAPITAL PRIVATE LIMITED

Moderator:

Ladies and gentlemen, good day, and welcome to Q3 and 9 Months FY26 Earnings Conference Call of Hindware Home Innovation Limited hosted by Dolat Capital Private Limited. 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. Please note that this conference is being recorded.

I would now hand the conference over to Ms. Nikhat Koor, Dolat Capital Private Limited. Thank you, and over to you, ma'am.

Nikhat Koor:

Thank you. Good evening and welcome everyone. On behalf of Dolat Capital, we invite you to Hindware Home Innovation Limited Q3 and 9M FY26 Earnings Conference Call. From the management side, we have Mr. Nirupam Sahay, CEO of Bath and Consumer Appliance business; Mr. Rajesh Pajnoo, CEO of Pipe Business; and Mr. Sandeep Sikka, Group CFO.

Kindly note that some of the remarks or observations made during today's call might be forward-looking such as financial projections or statements regarding the company's plans, objectives, expectations or intentions. The company does not have any obligation to revise these forward-looking statements to reflect any future events or developments. For a comprehensive disclaimer, please refer to Slide 2 of the results presentation.

With that, I would now like to hand over the call to the management for the opening remarks, post which we are open for the question-and-answer session. Thank you, and over to you, Mr. Nirupam Sahay.

Nirupam Sahay:

Good evening, everyone and welcome to Hindware Home Innovation Limited's Q3 FY26 Earnings Call. Kindly note that some remarks and observations made during today's call might be forward-looking. These may include, but are not limited to, financial projections and statements regarding the company's plans, objectives, expectations or intentions. The company does not have any obligation to revise these forward-looking statements to reflect any future events or developments. For a comprehensive disclaimer, please refer to Slide number 2 of the results presentation.

I will start with a brief summary of our performance for 9 months and quarter 3 of FY26.

For 9 months FY26, the company reported consolidated revenue of INR1,848 crore compared to INR1,824 crore in 9 months of FY25, reflecting a year-on-year growth of 1%. EBITDA stood at INR170 crore against INR132 crore in the same period last year, registering a year-on-year growth of 28%, with EBITDA margins at 9% compared to 7% in the corresponding period last year.

PBT before exceptional items was INR30 crore compared to negative INR30 crore in 9 months of FY25. For quarter 3 FY26, the company reported a consolidated revenue of INR640 crore compared to INR594 crore in Q3 FY25, representing a year-on-year growth of 8%. EBITDA for the quarter stood at INR52 crore versus INR37 crore last year, up 38% year-on-year with margins at 8% compared to 6% in Q3 of FY25.

Profit before tax before exceptional items for the quarter was INR6 crore as against negative INR16 crore in the corresponding quarter last year. As communicated in our previous investor calls, in a strategic move to sharpen our focus on the kitchen appliances segment, including chimneys, hobs, cooktops and sinks, the Board has approved the discontinuation of high loss-making product categories such as air coolers other than through the e-commerce channel, ceiling and other fans, air purifiers, water purifiers and furniture fittings. Please refer to Note number 2 of the published financials for further details.

Now I will cover the Bathware and Consumer Appliances businesses. For 9 months FY26, the Bathware business reported a revenue of INR1,123 crore compared to INR1,024 crore in 9 months of FY25, reflecting a year-on-year growth of 10%. EBITDA stood at INR126 crore as against INR110 crore last year, registering a growth of 14% with EBITDA margins of 11%.

PBT was INR43 crore compared to INR18 crore in 9 months FY25, a year-on-year increase of 146%. While for quarter 3 FY26, the business reported a revenue of INR386 crore compared to INR338 crore in Q3 FY25, representing a year-on-year growth of 14%. EBITDA for the quarter stood at INR40 crore versus INR35 crore last year, up 16% year-on-year with margins of 10%.

PBT for the quarter was INR13 crore as against INR4 crore in the corresponding quarter last year. During quarter 3, business faced headwinds from global commodity inflation. To manage this, we implemented calibrated price hikes during quarter 3 and have implemented another price increase in quarter 4 to fully offset the ongoing rise in raw material costs.

As shared in our previous call, we have undertaken several strategic initiatives in the Bathware segment, including refining our go-to-market approach; accelerating premiumization in sanitaryware and faucets and implementing a zero-based budgeting framework to structurally improve margins. These initiatives are now delivering tangible results, reflecting an improved operating performance, better product mix and stronger momentum across key markets.

We continue to strengthen engagement with the influencer community through on-ground programs for the plumber network while deepening collaboration with architects and interior designers. These efforts aim to expand market reach, reinforce brand advocacy, and we will continue to invest in brand building as well as comprehensive customer and influencer engagement programs.

Premiumization remains a key growth lever. The introduction of premium sanitaryware and faucet ranges and new product developments, which carry higher average selling prices and stronger margins has positively contributed to both revenue mix and profitability. Premium product segment constitutes approximately 40% of quarter 3 revenues.

From a channel perspective, retail sales accounted for 76% of revenue, while institutional and project sales made up 24%. Demand trends remain steady, supported by a stable real estate environment and improving traction in the mid-to-premium housing segments. We have also initiated focused working capital improvement measures, including tighter receivables management, inventory optimization and improved supply chain efficiencies. As a result, working capital days improved by 5 days from 100 days to 95 days.

Turning to Consumer Appliances business. The quarter 3 FY26 revenue stood at INR81 crore, a growth of 21% with EBITDA of INR0.58 crore. For 9 months FY26, revenue was INR237 crore with EBITDA of INR17 crore at a 7% margin. Strategic portfolio rationalization and focusing on high demand and higher-margin categories such as kitchen appliances is now driving an improved product mix and stronger profitability.

With that, I now hand over to Mr. Rajesh Pajnoo to take you through the pipes and fittings business. Over to you, Rajesh.

Rajesh Pajnoo:

Thank you Nirupam. Good evening everyone and welcome to our investors call. It's a pleasure to be speaking with you today.

For 9 months FY26, the company reported revenue of INR488 crore, EBITDA of INR32 crore and PBT of negative INR19 crore. In quarter 3 FY26, our revenue stood at INR173 crore with an EBITDA of INR12 crore and PBT of negative INR5 crore.

During the year, the industry witnessed significant volatility in resin prices, which impacted realizations and channel sentiment. However, after a lengthy period of fluctuations, resin prices seems to have stabilized in quarter 4. This is a positive development for the industry, and we expect quarter 4 to be relatively better, supported by improved pricing stability and gradually strengthening demand. In response to the volatile environment earlier this year, we took several calibrated steps to manage the situation effectively. We strengthened our procurement strategy through tighter inventory controls and shorter pricing cycles to reduce exposure to resin volatility. We implemented timely price adjustments to protect margins while ensuring channel competitiveness.

In addition, we aim to improve our product mix by increasing the share of value-added segments such as CPVC, SWR and specialized fittings, which offer better margin stability. We also intensified engagement with our distribution network to normalize channel inventory and drive secondary sales.

Despite these initiatives, the sharp and prolonged correction in resin prices, coupled with cautious channel behavior did impact our realizations and volumes during the period and consequently, our reported performance. However, these measures helped us mitigate the impact, preserve margins to the extent possible and maintain operational stability.

I'm pleased to share that Roorkee plant commenced commercial production at the end of January 2026. This facility enhances our cost competitiveness by rationalizing freight costs, improving service levels in North India and increasing our responsiveness to market demand. We plan to ramp up capacity over the next 3 quarters. And once stabilized, we expect to generate incremental annual revenue of approximately INR200 crore. With resin prices stabilizing, early signs of channel stock restocking emerges and infrastructure and housing demand gradually improves, we are beginning to see better momentum in order flows. As this normalization continues and channel inventories rebuild, we expect working capital levels to improve progressively over the coming quarters.

Going forward, our focus remains on disciplined working capital management, deeper penetration in high-growth regions, expansion of our dealer network and accelerating our share in high-margin categories. With improved market conditions and the ramp-up of Roorkee facility, we are confident of driving margin improvement and delivering sustainable growth over the medium term.

We are now ready to take your questions. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Madhur Rathi from Counter Cyclical Investments.

Madhur Rathi: Sir, Home Innovation segment has seen a decent growth if I compare Y-o-Y. But sir, if I remove the products that we have discontinued, what would be the growth? And do we expect this growth to sustain going forward?

Nirupam Sahay: Yes. So there is an impact of approximately INR8 crore to INR9 crore of products that have been discontinued, which still appears in the base for the previous year. So there is a marginal impact there. But on the growth momentum, we are confident now that with our strategy of focusing on a few categories, which is basically kitchen appliances so chimneys, cooktops, hobs, sinks, built-in microwaves and ovens, etc., and coolers only through the e-commerce channel and water heaters. So with that very clear strategy to focus on these products. We have a clear path forward to growth, both in top-line and profitability. Our kitchen appliances business, overall, we expect a CAGR of 15% to 20% over the coming 2 to 3 years in this business. So we expect steady growth going forward in the quarters to come. And we're confident that with this targeted strategy, we will get there.

Madhur Rathi: Right. And sir, on the margin front, where can we expect, sir, can we expect a low single-digit margin or low double-digit margin kind of that scenario?

Nirupam Sahay: So for this year, we are at about 7% for the 9 months in terms of margin. We believe that very clearly, as we scale up the business with the kind of CAGR that we are talking about, we start getting operating leverage. We are targeting a revenue milestone of about INR650 crore to INR700 crore by FY31. And as we drive the top-line up, we expect significant operating leverage to drive margin expansion. So we will transition to double-digit profitability over this period.

Madhur Rathi: Got it. And sir, this segment is asset-light, right? We don't manufacture, we just source and use our distribution network to sell these products. Is that understanding correct?

Nirupam Sahay: Absolutely. So it is an outsourced model, deliberately kept asset-light. We leverage our distribution, our go-to-market and marketing spends to build the brand, and those will help us to drive growth.

Madhur Rathi: Sir, just a final question from my end. Sir, due to the Chinese, BIS and quality control norms on chimneys and the one that is expected on hobs, do we expect to further gain market share? And sir, what would be the market size because of the BIS norms and quality control getting in?

- Nirupam Sahay:** Yes. So since this was already in place for some time, I think the localization has happened over a period of time for us as well as the industry. So the overall impact will not be very large on the industry or on us.
- Madhur Rathi:** Got it. Sir, can you just help us understand what is the current volumes that we do?
- Nirupam Sahay:** We don't normally share the volume number.
- Moderator:** The next question is from the line of Parikshit Gupta from Fair Value Capital.
- Parikshit Gupta:** My questions are for Rajesh. Sir, what was the share of faucetware in our pipes and fitting segment for the quarter?
- Rajesh Pajnoo:** Which faucets you are talking about?
- Parikshit Gupta:** Sir, I'm talking about the share of faucetware in the Pipes and Fittings segment.
- Rajesh Pajnoo:** Which faucets are you talking about, faucet is part of Bathware.
- Nirupam Sahay:** Faucets is part of the Bathware business, and it is around 43% of our sales in the Bathware business.
- Parikshit Gupta:** Understood, sir. Sorry about that mistake. Second question, in the pipes business, in terms of the volume, we have done a lower number as compared with the industry. While competition has grown like a high single digit or early double digits, we have actually come down in terms of our volumes. Can you please articulate why was that?
- Rajesh Pajnoo:** Yes. See, if you talk about the competition, they are into this field for a long time, and they have various manufacturing capacities across the nation. We are just operating with one facility at our Hyderabad plant. We are expecting that in the last quarter, we would come up with our facility in Roorkee because North, we are not able to sell agricultural pipes and SWR pipes because of the freight factor. What happened is, due to certain statutory obligations and approvals, it got delayed. So we were not able to hold on to that market, the North market. In any case, the competition is very high, but we were not able to sustain that as we could not supply those items from Hyderabad. So that was the particular reason that we have not done well in North as far as the operations are concerned. But now this will not be there because at the end of last month, we have commercialized our Roorkee operations. All approvals are in place, and we expect better things to happen in the future.
- Parikshit Gupta:** Understood, sir. In terms of the PVC prices, you already mentioned that it has already bottomed out, and we are seeing an upward trend. We see that in the Reliance PVC prices as well. But there is, I believe, an export restriction from the Chinese manufacturers from 1st of April. Do you anticipate that to be a significant support to the prices and if that is sustainable for us?
- Rajesh Pajnoo:** As of April 1st, this is only a proposal. There is no government decision yet, and nothing has been finalized. It may take more time. I don't see anything happening soon. It appears that the secondary market has started picking up, mainly because there was no material available earlier. As a result, the market has begun to grow. After a long period, PVC resin rates, which were INR

94 in July 2024, bottomed out over two years to INR 68. Now for the first time, we are seeing a price hike of almost around INR7.5 in just 15 days' time. So things look positive.

Parikshit Gupta: Okay. Sir, just my final question before I join back the queue. How are the channel inventory levels for the pipes dealers now? And how was January month in terms of the volume flow into the market?

Rajesh Pajnoo: So now things have started picking up. In January, we performed very well and recorded approximately 23% value growth. This indicates that the earlier destocking phase has reversed, and customers have begun restocking. We also achieved around 30% volume growth in January.

Moderator: The next question is from the line of Fenil Brahmhatt from Choice Institutional Equities.

Fenil Brahmhatt: I have some basic questions, I want to know, is there any capacity expansion plan in the shorter term other than the Roorkee, which already we have started in January. And how we will strategically manage this new supply considering the current market and competition and all?

Rajesh Pajnoo: This is the question to Pipes division, sir?

Fenil Brahmhatt: Yes, Pipes.

Rajesh Pajnoo: Yes. We don't have any plans of any expansions further. The capex, which has been incurred at Roorkee is already over. We have commissioned the plant. We expect the North market to pick up from this facility, which has already started taking place. In future, in the near 2, 3 years, we don't have any plans of putting up any further capacities. We believe, as such, we have a huge capacity in Hyderabad, and we have installed a capacity of 12,500 metric tonnes in Roorkee, and we can ramp it up. Therefore, we do not see any reason to pursue new facilities or incur additional capex at this stage.

Fenil Brahmhatt: Okay. And regarding the Pipe segment itself, the volume declined on a Y-o-Y and Q-on-Q during the quarter to 10,327 MT. So what is the management guidance or outlook on the same for upcoming period? So do we have any guidance or any sustainable level?

Rajesh Pajnoo: Yes. The way we are seeing it now and the way things are happening, we can give you a guidance of around 12% to 15% of volume growth in future.

Fenil Brahmhatt: Okay. What is the sustainable EBITDA margin for our consumer appliances segment? It has been quite volatile over the last two to three quarters. What is the guidance on a sustainable margin for this segment?

Nirupam Sahay: So in terms of the strategy that we adopted to focus on a few categories, if I look at the largest category that we will play in going forward, it's kitchen appliances, where we have a significant market share for chimneys already and are focusing on high growth in the other categories as well of cooktop, hobs, sinks etc. The gross margins for the kitchen appliances business is in the 40s. And we believe that as we grow that business, I talked about a CAGR of 15% to 20% year-on-year for the next few years. We get operating leverage there as well. So we believe that with that mix now in a relatively high-margin category, we can sustain profitability at the level that

we already hit for the 9 months this year, and we look over a period of time to getting into double digits over the next few years.

Fenil Brahmhatt:

Okay. And the last question, I read somewhere, the company completed the sale of its manufacturing assets in Telangana to Ariston for almost INR115 crore on 11th December or something. So can you share some color on this and the impact of this on our financials?

Sandeep Sikka:

This is not part of HHIL. This factory sale was part of our joint venture with Groupe Atlantic. We had set up a water heater factory there. As you can see from the results, initially we were unable to utilize the factory as anticipated, given how the market behaved. Therefore, a joint decision was taken to dispose of the manufacturing operations, which was successfully executed. The proceeds were used to repay HPL's entire debt in December. Going forward, this will operate as a trading model. As opportunities arise, we can source from vendors, including the manufacturing facility we have sold. But definitely, the whole idea of doing all these activities is to have a healthy bottom line. If you see in a number of initiatives we have done over the last 12 to 18 months, we have taken step-by-step improvement to improve the bottom line as well as maintain the growth at the same time. These are the steps towards that direction.

Moderator:

The next question is from the line of Ronak Ostwal from Arihant Capital Markets Limited.

Ronak Ostwal:

Sir, I just wanted to know what is the amount of inventory loss in the pipe segment?

Rajesh Pajnoo:

In this whole year, it's INR4 crore.

Ronak Ostwal:

INR4 crore for current quarter and what is for 9 months?

Rajesh Pajnoo:

No, for the whole year.

Ronak Ostwal:

INR4 crore for the whole year, and for the quarter?

Rajesh Pajnoo:

If you see our inventory levels, it's around INR1.2 crore. For the whole year, we have maintained very less inventory. We are managing with less inventory this year.

Ronak Ostwal:

Okay, sir. Got it. And sir, my next question is on the kitchen segment part. Earlier, you mentioned that, you were targeting a quarterly run rate of INR100 crore by quarter 4. So when we can expect that run rate going ahead?

Nirupam Sahay:

So in quarter 4, we'll be close to that number. And by quarter 1 of next year, we will hit that number. So we'll get INR90 crore plus in quarter 4 is what we are looking at and hitting the INR100 crore number in the next quarter. So on a run rate basis, we should get to INR100 crore by early next financial year.

Ronak Ostwal:

Okay, sir. In pipe segment on Jal Jeevan side, are we seeing any improvement in Jal Jeevan Mission?

Rajesh Pajnoo:

No. We are not in Jal Jeevan, the specified product mainly is high-density polyethylene. And we are not into that segment at all.

- Moderator:** The next question is from the line of Rahil Shah from Sapphire Capital.
- Rahil Shah:** Sir, the way you explained for the consumer products business that your focus is mainly on the higher margin in kitchen appliances and all. Similarly, what is your plan for the Bathware segment? What kind of growth do you see there? And what products you're focusing on? And what kind of margins are sustainable in that segment?
- Nirupam Sahay:** So, in quarter 3, we grew at 14.3%. So it was a healthy double-digit growth in quarter 3. We expect to continue that momentum in quarter 4 of this financial year. And going forward, the ambition is to stay in the mid-teens in terms of growth in the Bathware business. And the profitability, so what we are working on is a couple of things to improve profitability further. One is really focusing on the product mix. So I mentioned that all the new products that we are launching are higher average selling price (ASP) as well as higher margin than the existing range that we have. So we're focused a lot on new products at higher margins. We are also focused on improving productivity and efficiency at our plants. So our 2 sanitaryware plants and our faucet plant. And we believe that, that can also give us a good impact in terms of profitability. So we are looking at both top-line increase. That's obviously one primary driver. The second is working systematically on improving gross margin through mix, COGS improvement and then looking at all levers in terms of cost below gross margin. So I think all actions are in place already results starting to show both in terms of top-line growth. We've had 4 months in a row of double-digit growth. So I think it's good to get consistency in terms of double-digit growth as well. And we believe going forward that all the steps we are taking will lead to healthy top-line growth as well improve profitability.
- Rahil Shah:** Can you give a certain EBITDA margin range for this segment, particularly like where it can sustain and then grow ahead?
- Nirupam Sahay:** Yes. So what we are targeting is a 3% to 4% improvement in the EBITDA margin over the next 18 to 24 months.
- Rahil Shah:** Okay. And the INR90 crore to INR100 crore run rate that you were mentioning was for the pipe business, correct?
- Nirupam Sahay:** No, that was for the consumer appliances.
- Moderator:** The next question is from the line of Jasmine Surana from VT Capital.
- Jasmine Surana:** My questions were answered.
- Moderator:** The next question is from the line of Yash Mantoo, an Individual Investor.
- Yash Mantoo:** I have a couple of questions regarding the Bathware segment. Could you please tell me the capacity utilization for both sanitary as well as faucetware?
- Nirupam Sahay:** Yes. So in quarter 3, we had a capacity utilization of over 80% in our sanitaryware plants and over 90% in our faucet plant.

- Yash Mantoo:** Okay, sir. If I look at the revenue growth for the Bathware segment, how much would you say is attributable to outsourcing? Could you provide the split between outsourced and manufactured products, either segment-wise or for the total Bathware business?
- Nirupam Sahay:** Yes. So in sanitaryware, it's around 70% in-house manufacturing and roughly around 30% is outsourced. In the case of faucets, it's around 50-odd percent, so ss50-50 in-house versus traded.
- Yash Mantoo:** Okay, sir. Couple of other questions as well. So now that we have grown at about 14% for the quarter, has the discount scenario improved that we are not giving as much discount to our dealers or is that still the same?
- Nirupam Sahay:** Yes. So the discounts have not changed majorly over the course of the last couple of years. We also are very careful that we take a look at what is happening in the market as well. So we are not out of whack with what is happening in the market. We put in the inputs, which will help us to drive both top-line growth as well as profitability improvement. So whether it's in-built discounts or CNs, all the schemes are basically targeted at top line and bottom line growth. So there's been no substantial change either upwards or downwards in terms of discounts.
- Yash Mantoo:** Okay, sir. Just one last question. So over the years, we have reduced our dependence from the Chinese imports. Has there been any change related to that or is it still in that 7% to 8% range?
- Nirupam Sahay:** Yes, it's probably a little less than that now. We've consciously, over the last couple of years, tried to indigenize wherever we can, multiple benefits of that, of course, in terms of flexibility, in terms of time for supply, etc. So now it would be in the very low single digits from China.
- Yash Mantoo:** Okay, sir. So would you say that is the reason for the decrease in net working capital days for the segment?
- Nirupam Sahay:** That's part of the reason for the inventory reduction, yes.
- Moderator:** The next question is from the line of Bharat Raghani, an Individual Investor.
- Bharat Raghani:** Looking at the current raw material environment, do you plan to get in long-term contracts with suppliers in the Bathware segment?
- Nirupam Sahay:** So given our experience over the past few years and the volatility that has been there in recent times, we have contracts with them, but we don't necessarily believe that long-term contracts will benefit it majorly.
- Bharat Raghani:** Okay, sir. Next question would be, could you throw some light on how you're going to focus on increasing distribution network, as you have mentioned that?
- Nirupam Sahay:** Yes. So there are a couple of strategies that we are following in terms of go-to-market. One is increasing the number of brand stores. I'm talking right now about Bathware. In case you want consumer appliances, I can cover that as well. But in Bathware, we are basically focusing on brand stores. So roughly one-third of our sales comes through our brand stores across the country. We have 500-odd. So really making sure that we set up brand stores in Tier 1, Tier 2 and in some cases, even Tier 3 towns and extract as much as we can. It's obviously great for the

brand. It's a good customer experience that they get with Hindware, and we obviously get sales out of that. And normally, we sell the higher-priced products on the brand stores. So there are multiple advantages. The second is in terms of increasing our penetration in Tier 1, Tier 2 and Tier 3 towns in terms of the number of dealers that we have. So we've been very conscious of making sure that we look at the quality of distributors and dealers that we have rather than just looking at numbers. The numbers can be misleading. So we are targeting growth from what we call weighted dealers. So the more important dealers in each market, really making sure that we increase counter share at each one of these weighted dealers that we identified across the country. So setting up brand stores, focus on weighted dealers and increasing the number of dealers that we have in Tier 1, Tier 2 and Tier 3. I think it's a 3-pronged strategy that we are following.

Moderator: The next question is from the line of Kabir Leelani, an Individual Investor.

Kabir Leelani: My first question is the INR4.65 crore onetime charge for the labor code. Is this complete? Or should we expect more provisions in the future?

Sandeep Sikka: This is based on the fair assessment we could make, considering the current provisions in place. As we understand, additional regulations and benchmarks may still be issued by the government. If anything further arises, we will address it at that time.

Kabir Leelani: Okay. My next question is on the building products segment. How are you differentiating from the other competitors like Cera, Kajaria and Somany? Are you gaining any market share or just growing with the industry?

Nirupam Sahay: So I think in this financial year and particularly in the last couple of quarters, we are growing ahead of the market. So we are gaining market share. The strategy that we are following is what I talked about, that is new product developments and launching premium faucets and sanitaryware ranges. So the focus has really been on creating differentiated products across all of our brands. So we have Hindware, which is mass. We have Hindware Italian Collection, which is mass premium, and we have Queo, which is premium. So across all 3 brands that we have, we are making sure that we have differentiated products as far as possible. So big focus in terms of design, aesthetics, performance. So that is really helping us to differentiate in the market and helping us to grow ahead of the market. The other thing that we've really focused a lot on is customer service, and we believe that, that is actually a big differentiator. So we now have invested. So, for example, consumers can reach out to us on WhatsApp in 9 Indian languages. So we are the first in the industry to offer it not just in Hindi and English, but consumers can actually interact with us in 9 Indian languages now. So we're using automation. We're using technology and making sure that the ability of consumers to reach out to us, whether it's website, whether it's WhatsApp, etc., becomes simpler and simpler and the interaction is better and better. And we are measuring that constantly through Net Promoter Score (NPS). So we take the NPS from every consumer who interacts with us. I'm happy to say that the NPS is high and has been increasing over the last year. So we're focusing on that as a big differentiator as well.

Moderator: The next question is from the line of Akshay Chheda from Canara Robeco MF.

Akshay Chheda:

First question is on the plastic piping piece. So you mentioned that a better outlook for the Q4. So is it entirely to do with the restocking or even the secondary sales are equally strong? Basically, just wanted to understand, is the end demand also improving or it will be largely driven by restocking? So that was on the plastic piping piece? And sir, second question on the Bathware side, obviously, you have posted a healthy number this time. So, again, here also, is it that in anticipation of price hike and hence, there was an element of restocking? Or again, even here the end demand per se is improving? Or is it that the company-led initiatives that you spoke about and hence, better numbers that we could show? These were the 2 questions?

Rajesh Pajnoo:

Okay. We'll answer first the pipes question. Yes, definitely, there looks like both things are happening parallelly. The restocking is taking place, and we are also seeing traction from the market. There are inquiries. The projects which have got held up for a long time have started taking off. And we have also started now receiving continuous BOQs from builders and other projects. So we are seeing both the things happening parallelly. It looks very positive.

Akshay Chheda:

Got it. In the Bathware also the same question. I mean there is an anticipation of price hike, right? So is it that there was some element of upstocking before the price hike typically that happens. So is that the reason, hence, the numbers were good or per se, the end demand is also improving and hence, we are looking at a strong numbers going ahead?

Nirupam Sahay:

So, there are a combination of a few things which have happened. I think one is that demand sentiment in general has improved, I won't say it's brilliant at this point of time, but it definitely improved in quarter 3 versus quarter 1 and quarter 2. So that's obviously led to a little bit of an upside in terms of consumer sentiment. Having said that, I think a lot of the actions that we've taken have led to this kind of growth. I've talked about the go-to-market. The other thing which I talked in earlier investor calls also was that we are focusing very heavily on markets where we have a relatively low market share. So putting in focused sales and marketing efforts to grow our market share in areas where we have relatively low market share, that is paying us good dividends. And a lot of the markets where over the last few years, we've had relatively low market share, we are gaining market share. So that is helping. Then the other is in terms of the increase in the average selling price through the new products that we are selling in the market. That is also helping in terms of growth. So I think a lot of the strategic actions that we've taken over the last few quarters are paying off in terms of growth. On pricing, particularly, we had taken a price increase in November on faucets and a little bit in sanitaryware. The brass prices, as you probably know, have really gone up over the last couple of weeks and months. So in the month of January now across the industry, pretty much everyone has taken a price increase of about 14% to 16% in faucets and about 4% to 5% in sanitaryware. So there's a minor uptick because of stocking before the price increase, but that's not the primary factor driving the growth.

Akshay Chheda:

Got it. And sir, the pricing action that we have taken, is it sufficient to counter the RM inflation or some more will be needed, assuming that the prices stay here?

Nirupam Sahay:

At this point of time, the price increase that we've taken, so we've taken about 15% to 17% in faucets and we've taken about 5% to 6% in sanitaryware. So we believe that, that's enough to cover whatever raw material impact there is as of now. If it goes up substantially further, then

we'll have to look at another price increase. But at this point of time, we don't believe in the short term, we will need to do that, but we'll keep an eye out.

Moderator: The next question is from the line of Yash Mantoo, an Individual Investor.

Yash Mantoo: You've already answered all my questions.

Moderator: The next question is from the line of Elesh Gopani from Gopani Securities and Investments Private Limited.

Elesh Gopani: I wanted to ask, What was the net debt as of December 31st? Also, how will the debt be allocated between the Bathware business and the Consumer business following the demerger?

Sandeep Sikka: The total bank debt is approximately INR 740 crore. Of this, around INR 265 crore is allocated to Bathware, about INR 450 crore to Pipes, and the balance pertains to Hindware Home.

Moderator: Thank you. As there are no further questions from the participants, I would now hand the conference over to the management for the closing comments. Over to you.

Sandeep Sikka: Thank you to everybody who joined the call today. We truly appreciate all your questions. As you can see, we have demonstrated step-by-step improvement over the last four to five quarters. We remain focused on maximizing growth and improving profitability to the levels we achieved in the past. This is a key building stage for us, and we believe the trajectory will improve very soon. Thanks again for joining us.

Notes:

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