



6th November, 2025

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Stock Code – 500331

The Secretary
National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E),
Mumbai - 400 051
Stock Code - PIDILITIND

Sub: Transcript of the Earnings Call

Dear Sir,

We enclose herewith, a transcript of the Earnings Call held with Analyst/Investors on 31st October, 2025.

A recording of the transcript is available on the website of the Company viz. www.pidilite.com.

Kindly take the same on records.

Thanking You,

Yours faithfully,

For Pidilite Industries Limited

Manisha Shetty
Company Secretary

Encl: as above

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“Pidilite Industries Limited
Q2 FY26 Results Conference Call”
October 31, 2025



MANAGEMENT: **MR. SUDHANSHU VATS – MANAGING DIRECTOR –
PIDILITE INDUSTRIES LIMITED**
**MR. KAVINDER SINGH – JOINT MANAGING DIRECTOR
– PIDILITE INDUSTRIES LIMITED**
**MR. SANDEEP BATRA – EXECUTIVE DIRECTOR AND
CHIEF FINANCIAL OFFICER – PIDILITE INDUSTRIES
LIMITED**

MODERATOR: **MR. PRANAV MEHTA – EQUIRUS SECURITIES**

Moderator:

Ladies and gentlemen, good day and welcome to Pidilite Industries Limited Q2 FY26 Results Conference Call hosted by Equirus Securities 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. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Pranav Mehta from Equirus Securities. Thank you, and over to you, sir.

Pranav Mehta:

Thank you. Good afternoon, everyone. On behalf of Equirus Securities, I welcome you to the 2Q & 1H FY '26 Post Results Concall with management of Pidilite Industries Limited. From the management side, we have Mr. Sudhanshu Vats, Managing Director; Mr. Kavinder Singh, Joint Managing Director and Mr. Sandeep Batra, Executive Director and CFO. And I will straightway hand over the call to Mr. Batra for his opening remarks post which we'll have the Q&A session. Over to you, sir.

Sandeep Batra:

Thank you, Pranav, and good evening, and welcome to everybody on the call. I'll quickly give you my opening remarks and then open the floor for Q&A. And I'll take you through the second quarter and half year FY '26 results, which were approved by our Board yesterday.

As you will see, the current quarter's stand-alone revenue of INR 3,272 crores had good growth from the Consumer and Bazaar segment, which grew with a UVG of 10.4%. And the B2B business, UVG, was 9.9%. Total stand-alone UVG was 10.3%, which translated into a value growth of 10.4%. As you will note that the Consumer and Bazaar business went into double-digit UVG after five quarters. And as you would recall, in the previous quarters, it was very high. It was all in very-high-single digits.

One part of our business that did get impacted, was exports which was largely due to geopolitical uncertainty as well as tariffs in some markets and export business in the quarter did decline.

Our stand-alone gross margins continued to improve and in this quarter were up by nearly 0.5% due to benign input prices. VAM, which is Vinyl Acetate Monomer, which is our single biggest raw material, the consumption rate in the second quarter was \$883 compared to \$980 in the second quarter last year.

This expansion in margins was used to step up our expenditure behind advertising and sales promotion, which in absolute terms was nearly 80% higher than second quarter last year. And as a percentage to sales was up by nearly 150- 160 basis points. Obviously, part of that was offset by higher margins and part of it was offset by better operating leverages across all our cost areas.

As a result, our EBITDA margins in this quarter were same as Q2 last year. We did see, lower non-operating income, in terms of percentage to sale. And there were two reasons for it. One, of course, was the fact that in this quarter, we had paid out not only the final dividend, but also an interim dividend. And also, as you would know, yields on such treasury investments have

been coming down as interest rates have corrected. So, we had some amount of that impact as interest rate resets happened. Our non-operating income, both in absolute terms and in percentage terms, would have corrected line with yields on similar instruments.

If I look at the subsidiaries, the domestic subsidiaries' reported revenue growth of 10.7%, with significant improvement in EBITDA as the same grew by 22.6%. In the case of international subsidiaries, top line was a bit subdued. Revenues grew 4.5%, and EBITDA growth was similar.

Consolidated revenues at INR 3,540 crores, grew by 9.8% in the quarter and EBITDA margins were similar as the same period last year. With that, I conclude my opening comments and open the floor for Q&A.

- Moderator:** The first question is from the line of Pranav Mehta from Equirus Securities Private Limited.
- Pranav Mehta:** Sir, so I wanted to understand on the rural and urban demand recovery. So how are you looking at things, let's say, going forward and whether rural continues to out beat the other or we've started seeing some green shoots in the urban recovery as well?
- Sudhanshu Vats:** Yes, Pranav, thanks for the question. And as always, good to hear from you. I think very specifically and very quickly to answer about this is for us, rural still continues to do better than urban. So this has been a trend now over 5 years, if I'm not mistaken, maybe 16 to 20 quarters, if not longer. So rural continues to do better than urban. But in the quarter that's gone by Q2 FY '26, urban performance has also been very good. So urban, if I can use the word, is inching up. Urban performance has been very good. I think our growth drivers in quarter 2 have been our construction sector growth brands, which have had a strong urban listing as well. So I think urban overall is improving, to answer your question, which you asked towards the end, so there are green shoots and it's improving and we think that momentum will continue. And rural will continue to perform from the point of view of penetration and all the work which we need to do. So we feel optimistic about both of them and for us, rural continues to be higher than urban, but urban has caught up quite a lot, if I can use the word.
- Pranav Mehta:** Okay. And sir, how are you looking at things from the input cost side since the crude is actually now moving in a narrow range. So do you think that for next, let's say, two, three quarters, it should be in our favor?
- Sudhanshu Vats:** Yes, Sandeep just told you about our VAM numbers, yes, VAM is now below \$900. Basically, what we are seeing for the next 3 to 6 months, specifically VAM we see for it to remain in that range and remain benign.
- Moderator:** The next question is from the line of Mohit Jain from Dr. Choksey PMS.
- Mohit Jain:** Given that, sir white glue demand is closely linked to renovation and interior section fit-outs, are you seeing the share of renovation demand rising compared to new construction?
- Sudhanshu Vats:** So in terms of very specific data point, if I was to say, we haven't done very specific recent study to be able to quantify it one way or the other. But from what we are observing and when we

travel and all that, I think there is no reason to believe that the share of renovation will go over new construction.

If at all, I think the share of new construction is going to creep up vis-a-vis renovation. Good news, as you know for Pidilite, is that we are very well poised in both spaces. But we haven't done any specific recent study to quantitatively answer your question. Our observation is that new construction is slightly on the rise, relatively is going up.

Mohit Jain: All right. And my second question, sir, are you observing any reasonable shifts in growth for example? I may be wrong, but strong momentum in Northern or Southern markets compared to Western? And is the carpenter activity uniformly strong across regions? I mean, I want to know the regional overview in white adhesive?

Sudhanshu Vats: I won't say any such pattern, at least especially for white glues. No specific clear pattern.

Mohit Jain: Okay. I mean it's distributed evenly across regional. We don't see any patterns of good growth in Southern or Northern?

Moderator: The next question is from the line of Tejash Shah from Avendus Spark Institutional Equities.

Tejash Shah: Sir, a couple of questions. Sir, given that we are in a very comfortable raw material cost environment, do you plan to step up investments behind new product launches or will spending remain at the normal level?

Sudhanshu Vats: I think as Sandeep just told you on our commentary for the quarter 2 as well and where of course, because of competitors, the numbers were looking even more accentuated as percentage growth or percentage turnover. I think we maintain that our A&SP will be in the band of 3% to 5%. This quarter, we've come in at about 4.2%. So I think to answer your question, would we be deploying the expansion, if at all, in gross margin for investments? The answer is yes. We will be deploying them judiciously in A&SP, in GTM capability building. As you are aware, we are building a full-fledged architect interior design, that's a newer GTM -a program that itself will require much greater focus from our end.

You're also aware, Kavinder last time spoke to you about it on the Pidilite Professional Solutions, how we are gearing up and are getting ready to capture the entire construction sector growth. And here when I say construction sector, there are multiple segments as he explained to you and all that.

So to answer you of this thing is yes. And I think we will continue to deploy this to build. We stay committed to our corridor of 20% to 24%. As you saw in first half, we are at the higher end of that corridor, we are actually at about 24%. If the raw material prices remain benign, for the year will we definitely remain within the corridor, a little bit on the higher end of the corridor, the answer is yes. I think that's how it will be. So we'll judiciously deploy. I think that's how it is. That's the way to work on.

Tejash Shah: Just one follow-up on that. Using this tailwind of the cycle, would it be right time to kind of dial up on Haisha and just noticed that you spoke about all the initiatives, but did not call up Haisha. So is like part of many initiatives or it is one of the initiatives that you want to focus on?

Sudhanshu Vats: No, it's an important initiative. and it's a great observation . So on Haisha, and I think this got asked earlier also in some of the media interactions in the morning today. See, for Haisha, the status is very similar to what I shared last time, although I may want to add a bit of color you are saying so much time is passing.

So I do want to add a bit of color. So see, what is happening is that in Haisha, we continue to grow in the pilots where we are. So we are growing, absolutely growing well. We are growing sequentially as well. So, September is better than August, and so on. Quarter 2, better than quarter 1. All that is happening. That's correct.

And I think we've also taken the baby step of now looking at a few Eastern geographies. So you know that we started out in 5 Southern geographies in small towns and districts. We are now there in a couple of Eastern geographies. So it is a sign of our confidence in the way we're moving ahead.

Having said that, have we got the business model fully right? There, again, if I was to be absolutely candid with you, the answer is no. It's still work in progress. We are working on it, because we want to, in the urban and small town India where we want to play, this we have said from the beginning.

We want to be in the top 3. And we have a safest market share ambition, of course, varying from town to town and all that. But we need to have a reasonable market share in top 3. So in that quest, we are a little bit behind that share piece. It is taking time. So we are reiterating. And that's why when I responded to your question for the second half of the year, my own assumption is we will be fine-tuning this model through this year to the second half of the year.

And then when we speak at the end of maybe quarter 4 call you will see we're going to talk about that, we're going to put much more money behind this. So I think our paint initiatives we have added, our approach is similar. We are seeing good growth.

We remain confident of being able to do it the way we want to do it, but we have not reached the internal milestones we have set for ourselves, and we think we should continue to fine-tune the model before we sort of expand everywhere and before we put big dollars or additional investments behind.

Tejash Shah: And last one from my side. Sir, one hallmark of our performance for the last many years or many quarters has been rural actually doing very well. Now if I have to look rural from the lens of retail player. So is it more distribution expansion that is driving this growth? Or there is a very robust repeat demand or SSSG also, which is coming from rural as we are going deeper?

Sudhanshu Vats: No, it is more later, Tejash. Basically, so for us repeat demand and what you called SSSG, Same-store Sale Growth kind of concept, I think you use in your acronym, if I'm right. We focus a lot

on how we are doing where we are. And expansion is there, but so the growths are coming more from doing well where you are, more from depth and less from increasing width. Having said that, continuously in rural, do we want to go to more direct places to improve our distribution further? The answer is yes. So I think I would say focus is on growing where you are as well and if not more.

Moderator:

The next question is from the line of Himashu Singh from JPMorgan.

Himanshu Singh:

Sir, congratulations for sustaining 10% growth in the Consumer and Bazaar segment. I would like to, sir, if you could talk, give us some flavor on various sub segments in the B2C business like Araldite waterproofing and though they have some other core categories as well as the growth in pioneer categories like Roff and electronic adhesives. If you could give us some flavor on various categories, how the growth have trended in this quarter?

Sudhanshu Vats:

Yes, so Himanshu, I may not get granular into each of those because I'm saying we report this as one segment. But just to tell you basically, our growth segments in Consumer and Bazaar have done very well. And if you will remember, and I think many of you on this virtual table, I'm sure now though know it fully that we say that we will deliver core between 1 to 2x of GDP, growth between 2 to 4x of GDP and pioneering categories are there.

So first of all, Roff is well beyond pioneering now. It's one of our important growth categories. Pioneer, we define as once we cross INR 100 crores. So I think our growth categories have done very well. They are in the band, which we say and maybe arguably, some of the brands in that are well on the outer end of the band as we speak to you in the quarter that's gone by.

So I think some of these have done very well. I think a few of the pioneering categories, we have started taking baby steps. We are also seeing growth there. We're seeing some numbers. We are seeing some accounts coming up. So I think that's where it is. So overall, on some of these, Dr. Fixit, Roff, we have done really well, and I think these are our growth categories, which have delivered very well to their promise.

Himanshu Singh:

Great to hear, sir. And sir, if you could give us some flavor on the pricing. So how it has been in this quarter, the pricing growth?

Sandeep Batra:

So pricing, as I mentioned in my opening comments, the input cost regime is quite benign. If anything, prices of inputs are lower than what they were in the second quarter last year. So there has been no occasion to take any or any rationale to take any pricing action.

Obviously, whatever price adjustments we have done earlier have all anniversarized. And that is why you see that value growth for the last now 3 quarters leads the volume growth. So our UVG was 10.3% and our revenue growth was 10.4%. But no specific pricing increases, et cetera, we would have taken in this quarter.

Himanshu Singh: And sir, what would be the margin outlook for the second half, as you have mentioned, the commodity prices are expected to be benign. So what is the expectations for margins in the second half?

Sandeep Batra: So as you know, we don't give any guidance. We have always called out that we are very comfortable to operate within an EBITDA corridor of 20% to 24%. Obviously, we are at the top end of that corridor. In this quarter, you would have seen that we had stepped up our advertising and sales promotion expenses.

So we don't really see any major shift happening in EBITDA. Obviously, one thing and maybe this may not be the right quarter to call out. But when you go to the fourth quarter, you will find that our overall revenues in that quarter are much lower than the previous 3 quarters. So there could be some negative operating leverage in the fourth quarter. But other than that, there would be no event that may cause the EBITDA margins to swing.

Moderator: The next question is from the line of Jinesh Kothari from Equirus Securities Private Limited.

Jinesh Kothari: Sir, I wanted to ask I think that your sales behind investments that you're doing in Pidilite Ventures, anything that you want to highlight specifically?

Sandeep Batra: Pidilite Ventures. So nothing I mean, nothing really in that sense to highlight. We did some investment in Pidilite Ventures. And Pidilite Ventures as part of its portfolio continuously is evaluating in either new investments, or investments in or companies in which they want to increase the stake. So as and when that happens, we will obviously share with you. But at this moment, there is nothing really to report regarding the investments made by Pidilite Ventures.

Jinesh Kothari: Got it. Sir, any specific capex or anything that you're looking at from the incremental cash planning that you are having or any such opportunity or expansion plans anything in any segment that you're looking at organic or inorganic anything would help highlight?

Sudhanshu Vats: We keep looking at all times. I think just building from what Sandeep just said even from the Pidilite Ventures, you will see that depending on which start-ups we have invested in and all that from time to time. There are some start-ups, which tend to do well and all that.

So we may increase our stake into a few of them, whichever work which we have done and all that. That's why you see some of these what you spoke about in the previous one. Overall, I think of course, we are sitting on, whatever, roughly close to INR 3,000 crores in cash now. I think the thing is we keep evaluating options from time to time.

And I think depending on when it comes, you can never time it. But I think we will keep looking at opportunities and which are in our areas and in the ancillary space in and around our areas. So I think that's the space which we will keep scouting. And I think as I speak to you, we were evaluating many, but nothing which can be shared or it's nothing in that concrete sense as of now.

- Jinesh Kothari:** So sir, no major organic capacity expansion guidance on the line, is it?
- Sandeep Batra:** I don't know what you mean by major, but we've always said that our capex will be anywhere between 3% to 5% of sales. So that is what we are currently moving at. So it will be in that range.
- Jinesh Kothari:** I just meant in some specific categories were you witnessing some specifically more capex toward or anything on that part or as a part of overall portfolio?
- Sandeep Batra:** So that is, in any case part of that 3% to 5%. Obviously, categories which are growing faster will require more capacity and categories which may not be growing that fast, may not need capacity addition at the moment. But that's the way internally we decide which areas we wish to invest behind.
- Moderator:** The next question is from the line of Umang Mehta from Kotak Securities.
- Umang Mehta:** Congrats on a good set of numbers. Sir, first question was on your woodworking adhesives. So you had already started to see mid-stage construction products like waterproofing, see an acceleration, some time back. Have we started to see even white glue see some acceleration because of the real estate up cycle?
- Sudhanshu Vats:** Yes. But I think in terms of now the white glue acceleration, we are seeing it. So therefore, what is happening is if you look at new construction cycles, one phenomena you are seeing, particularly in the big cities is that there is both on-site and a little bit of offsite, which is, if you were to look at I'm saying even amongst all of us on this virtual table again. If you were to ask and wherever you are doing any of the new projects or whatever, kitchens tend to be nowadays and a little bit of cupboards are basically are offsite, not necessarily on-site. So if you were to see my joinery's work which is happening and the numbers there, I can see a clear uptick. So I think which is almost directly correlated to the point you were making. If I was to see my growth in my white glue, which is basically on-site, there, I am seeing momentum. But is this very distinctive as of now, maybe not. I think that's the piece which is there. So that's the place which I'm in, in this area. So that's how it's playing out.
- Umang Mehta:** Understood, sir. And the second question was on B2B. So we've seen some companies call out that 3Q would be worse off than 2Q because of tariff-related issues. For your B2B and export-related products, is that the case? How would you look at near term?
- Sudhanshu Vats:** So B2B, I think this is a question which keeps getting asked often. For our B2B, we have different businesses that which we look at. So let me break up B2B. Into domestic B2B, we've delivered mid-teens underlying volume growth even in the quarter that has gone by, in quarter 2 by the way. So this 9.9% is composed of a mid-teens domestic B2B. And there is, of course, pressure on exports, and that's the reason you are seeing 9.9%. So what we are saying is that this momentum of mid-teens domestic B2B(which also has projects)we are confident that, that momentum will continue.

As far as tariff is concerned, when and how quickly it gets resolved, it's hard to say. But if you were to see last 1 month or last 10, 15 days movements, I think there seems to be a little bit of semblance in this entire VUCA(Volatility, Uncertainty, Complexity and Ambiguity)piece as well. So there is a little bit of stability in this instability, if I can use this paradoxical phrase. So for us, are we confident that this kind of momentum will maintain?

The answer is yes. Is there a slight upside possible if there was to be a correction in tariffs and all that, again, the answer is yes. But that you can't budget is the point you made. I think the companies that have talked to you may have too much dependence on tariffs and may have a different point of view. But as you know, we delivered a nearly double digit, actually a double-digit underlying volume growth despite this.

Moderator: The next question is from the line of Amit Sachdeva from UBS.

Amit Sachdeva: Sir, just one small question on the input price cycle. Sir, it seems like the benign input prices and obviously result in gross margins seems to be in a very benign super cycle now. It's got extended and probably seems like it continues to be benign. Is there a way you give some outlook on how you see demand supply situation panning out over, say, next 12 months? I also hear that there were some Chinese capacity was also imminently coming, but it's not coming because the supply situation is very benign. Do you have like a 12-month view on how things are evolving and your outlook on input prices?

Sudhanshu Vats: So input prices, I think we've spoken about it a little bit back, Amit. I think as far as 6 months is concerned, we see it to be benign. In today's day and age, I think to your predecessor's question, Umang, I think to be able to look beyond that and it may not be prudent for me to get beyond this.

I think your point that there is a little bit of demand softness in the big market of China. I think that's correct. So is there a little bit of demand softness in that big market? The answer is yes. Do we see it benign for the next 6-odd months? Clearly, the answer is yes. 12 months, do I have a clear view that it will be like this? I'm saying I cannot comment.

Amit Sachdeva: That was very helpful. I just wanted to check that how imminent this situation could be because there is obviously a cycle of demand and supply that runs into at least 2 to 3 years, and we are way past that period. But I don't know how this has evolving now, so I thought this is fair enough. This definitely answers the question.

Sudhanshu Vats: Good point. And I think this is something which we keep talking ourselves as well. But I think Amit, for you and to everyone on the table just to reassure that I think we are always at Pidilite very well poised to manage these cycles reasonably well. I think our ability to pass on some of these prices judiciously is very well established. So we are well poised in that space.

Moderator: The next question is from the line of Saurabh Kundan from Goldman Sachs.

Saurabh Kundan: If you could give us any update on the electronics adhesives foray, the CollTech partnership. What stage is it at? At what point will we see it reasonably contributing to sales? Any update on that will be helpful?

Sudhanshu Vats: Yes. So I just want to tell you that basically, our specifications to most customers is on, our sales to a couple of customers has started. So I think there is work happening on that space. It's a tricky space, though. The point is that it is also, as I explained maybe in the call before this or earlier, is there are multiple areas where basically there is this application space and so on and so forth.

So when we have some partnership, it is not that we will be able to tap into all of them. We will be able to tap into few of them. So I think in the areas that we will be able to tap into and we have the potential, there is good work happening. There is also work happening in trying to develop some of these things and there we've also started work at R&D place.

I think your question is to, will it be substantial? And when will it be substantial? Rather than saying when will it be substantial, I will say that in the immediate or medium-term defined as let's say, 6 months or 12 months, some of these initiatives which we are showing now are not going to be material to the size of Pidilite.

But having said that, the work needs to be done because if we do the right work now, then some of these will be meaningful and arguably material in 3 to 5 years. But a lot of work is happening because it is at a work stage, beyond a point in time, it's not prudent to share.

Moderator: The next question is from the line of Parshva from Mehta Equities.

Parshva: As the government is giving a lot of priority to electronics manufacturing in the country. So can you share the opportunity size that we can see in adhesive segment, which is used in the electronic assemblies?

Sudhanshu Vats: Yes. Parshva this is very similar to what Himanshu was asking, I think, asked this question again. So just to tell you that we just responded to Himanshu. See, this is a space which is evolving as we speak. We are mapping area by area. This is quite complex and complicated. See, there are two things. First of all, on any instrument or anything which you look at, there are multiple areas of adhesion and thermal conduction and so on and so forth, which are there. Multiple meaning it could run into 100s easily. Now the question is that, within that, what are the areas where we will be having a right to play. First of all, what are these mapping them, theoretically mapping them if possible. When you see these headlines, which come in the newspapers, those are big headline numbers. So theoretically, you can do that. But if you were deep down into that, the issue is that some of it will not be done in India. I'm saying a lot of when you say manufacturing, is perhaps assembly and last point assembly as well. It is also evolving to be fair, and I don't want to comment. So therefore, what we are doing is we are mapping it by each of these, seeing what of it is done in India, what comes from outside. And within what is done in India, where do we have the license to play and where do we have a right to win.

And as I said to Himanshu's response that wherever the products are available, we have specified our products in many places. So we have sampled in quite a few of them as well. And I'm happy to share that in a couple of places, we have also started commercial orders, which are repeat orders as well.

Moderator: The next question is from the line of Himanshu Singh from JPMorgan.

Himanshu Singh: Many FMCG peers have called out the impact of monsoons during this quarter. So have you also witnessed any impact of monsoon extended range because as we are involved in the construction business? So have you also seen any impact of monsoon during this quarter?

Sudhanshu Vats: Of course, the monsoon is for everyone, Himanshu. But I think what is good about our company, and I want to reiterate that, and I think that's what makes Pidilite what Pidilite is, is that our focus on demand generation is extremely high.

And therefore, our business model and our go-to-market strategy is focused on generating demand. And as you are aware, we have two field forces going out, and therefore, people are continuously focused on generating demand. I think this uniqueness of our model, coupled with the strength of our growing portfolio and the richness of our portfolio allows us to weather some of these things better.

And I'm saying if you look at some of the other guys, they will say there is monsoon, extended monsoon, GST 2.0 impact, this, that and all. Everything sort of impacts us also in some form or the other. But I think in a quarter that's gone by, we've delivered double-digit underlying volume growth because of our model.

There has been extended monsoon, you're absolutely right. And I think as a country, one watch out for all of us is, does this extended monsoon harm the kharif crop, where the answers are not out as of now. So if it's going to continue to rain the way it's raining, I'm saying, I don't know whether the Bombay rains are there everywhere else. I'm saying will it begin to impact other areas. That is something which we need to first of all, get more data on it, and then that needs to be evaluated. That may have a bearing on rural.

Himanshu Singh: Sir, since you mentioned, so you seem confident on continuing this double-digit underlying volume growth for the second half as well, because of the strength of the model that you follow, correct? Is my understanding correct?

Sudhanshu Vats: Yes. We've demonstrated that we've delivered double-digit underlying volume growth for some quarters, and we are confident that we can do it in the future. You're absolutely right.

Moderator: The next question is from the line of Bharat Sheth from Quest Investment Advisors Private Limited.

Bharat Sheth: Sudhanshu, I have this question for our Jowat. So how do we are seeing the progress of Jowat since we have, I believe, factory was already completed and we were doing some project also. So can you give a little more color on how do we see over a couple of years?

Sudhanshu Vats:

Bharat bhai, first of all, always good to hear from you. Thank you. I think Bharat bhai on this -- on the Jowat piece, I can tell you, and I was talking about it in the earlier part of the call in context of joinery, I think we are seeing clear traction when it comes to joinery. But as you know, hot melt adhesives, and hot melt PURs, have now extensive use in various areas.

So there is a lot of use of these even in industries. So as I speak to you, what we are doing is we are also mapping this far more thoroughly. How do we take it well beyond woodworking and joinery. So woodworking and joinery, we are doing well, which was the first protocol.

Then there is good traction. I think in other areas, we are also mapping and seeing how do we grow this. So two places is doing well. It's doing well here. It's also doing well in our advanced packaging and conversion. APC) that's one of our business -- one of the things we look at in our industrial business.

So I think advanced packaging conversion, we are seeing good traction in hot melts adhesives. We are seeing good traction in joineries, 100%. But in this joinery part of the business, I think we'll continue to map it so that we grow this faster than what we have done and utilize the space even better.

Bharat Sheth:

Okay. And second piece on the national level sorry, this 4P what we are talking, that brand, I sorry I missed it Nina Percept?

Sudhanshu Vats:

The brand is UnoFin.

Bharat Sheth:

So how we are thinking about it? And what I understand we were thinking of launching pan-India basis. So when we will see and we started with regional presence?.

Sudhanshu Vats:

I'll request Kavinder who is also with us on the line to talk about it and give you a little bit more color on this part.

Kavinder Singh:

Bharat bhai, good to hear you on the call, just wanted to mention to you that while UnoFin is the brand name for this spray craft, what we call as render. The game with Grupo Puma is not just that. The game with Grupo Puma extends into professional level of tile adhesives, very recently we have launched in September, a brand called NeoPro by Roff under the brand name of Roff. So these are for premium tile dealers. So this is a new launch, which we are excited about. As we speak, we are sort of extending it into various markets. So that has come from the Grupo Puma technology. There are a few other products in offering.

Let me come back now to your question on UnoFin. So UnoFin has not delivered in line with our expectations so far. Part of the reason is, it's about changing the practice of the current practice where people are happy to do the primer, putty, paint, et cetera. We are looking to change the game by actually offering this solution to people, who would want a water-resistant coating sprayable, therefore, taking much lesser time, looking absolutely very good even after 10 to 15 years. So this will typically have to be focused on buildings where owners would like to save the future maintenance costs and also the architects, who would like very beautiful looking facades. So this market, we have understood that this is the way to go about.

We are beginning to see traction in the hotel industry, in some commercial complexes, and we have intentionally kept the team only in the Northern region to perfect this whole business model because our factory is in Rajasthan, and we do not want to transport this product all over the country because it affects the margins.

So therefore, as we call it in our language in Pidilite, the pilot is on. It has taken a little longer than what we would have ideally liked, but we are going in a very sure-shot manner. We have made one more change. We have a large user business team, which is now the go-to market. Earlier, we had a separate sales team, which was going independently. Now we have merged the sales team with a large user group. And therefore, we believe that this will lead to a better go-to-market strategy. These changes we have done in the last 1 or 2 months. So therefore, we remain clearly optimistic about creating the category. And as you know, we are pioneers in creating categories, and that's the approach that we are taking in this category. On the other hand, Nio Pro is not category creation. It is premiumization of our tile adhesive.

Sudhanshu Vats:

Bharat bhai, very quickly, I think Kavinder was recently in Jaipur. So one other good news I want to give you, one of the first early projects we did, Kavinder only was telling me 2 years back or something is looking fabulous, Bharat bhai. So I think, therefore, it's giving us confidence, I think 2 to 3 years now, which is what is the promise of these vendors. They look good for very long. You know that, that is the kind of thing and as we do this, it will be good.

Bharat Sheth:

So sir, just to understand, I mean, from a cost perspective, cost of ownership over life of the project. I mean how do one should think about it benefit as well as cost of ownership will be definitely a little costlier than the traditional way of going up?

Sudhanshu Vats:

Bharat bhai, if I could quickly add, I think we'll need to do more math on it to give you a very specific answer. But I can tell you, one-time first-time cost is a bit of a premium. But maintenance is, if it is going to be a 20-year shelf life. I'm just thinking about it. We have a promise of whatever, at least in the European place, there's 25 plus and all that. Then the total cost of ownership or total cost of doing this, will be low. I'm saying that's what we are basically seeing there. The total cost will be low.

Moderator:

The next question is from the line of Tejash Shah from Avendus Spark Institutional Equities.

Tejash Shah:

A couple of follow-ups. So first, at a very broader level, government has taken several bets to revive consumption and the recent one being GST rate cut. So when you speak with your sales team, channel partners, are you seeing any visible signs of recovery, which gives us some hint that consumption is better than what it was, let's say, 6 months back or 9 months back?

Sudhanshu Vats:

So as I was telling you, I think for GST 2.0, Tejash, it may be too early to call any verdict. Having said that, and I maintained this and we've been saying this for some time, it is the right step. So I think I want to congratulate the government, everyone involved and all that, making sure that all your staples and daily consumption items for common Indian, every Indian are at 5% is exactly the steps we should have taken and we have taken.

So that's a very good step. Now as this releases some amount of income in the hands of all Indians, what is the impact of that, which discretionary category benefit? When do they benefit is, at this moment, a matter of conjecture. It will happen, but how it will happen, we'll have to see.

I think on the second part, there is also a GST change in some of the home improvement items or in general, over construction. Cement has come down from 28% to 18%. Some of our stone, marble and all have come down to 5%, if I'm not mistaken, I think that's the rate.

So therefore, the impact of this on construction and further fill to construction, we stay very optimistic on this, which you can see in our commentary as well. So I think that is the piece, which will also help us. How it plays out we have to see. Lastly, are we seeing urban demand recovering at least at Pidilite level, the answer is yes, which I spoke about earlier in the call as well, independent of everything.

Tejash Shah:

Yes. So my question was also that there were a couple of interventions, which are made 6 months, 9 months back also in terms of monetary policy easing and tax rate cut. And there were a lot of hopes that they will also contribute to demand revival, but I got the answer. Sir, second, when you look at the very broader consumption space, Pidilite seems like a silver lining in terms of what we are delivering for a while now. And when we exchange notes with other industry leaders are not only in our sector but otherwise, what would you say that doing differently, what others are not? Because what I'm trying to understand is it more of a category-specific thing? Or is it like our own execution excellence or mix of both, which are actually helping us to deliver what we are doing?

Sudhanshu Vats:

No, I think very good question, Tejash. I partly, alluded to this in earlier in the call earlier. I think I see two clear moats, which are emerging for Pidilite, which have been there, but I think which is what sort of partly explain how we've done and we are consistently delivering.

I think one is the way we go about doing things. So I do want to reiterate very few companies focus on demand generation the way Pidilite does. I think with our entire business model. Business model is not only about cost, you are aware that we've talked about it, that there are two field forces. But how do we review, what are the linkages, how do we keep improving that as we keep going forward.

So our entire demand generation business model is one thing, which we need to keep continually keep improving, and I think that's an area. Second is, of course, the growth of our portfolio. And as our portfolio gets more diversified, it gives us better ability to maneuver some of these things. And to that extent, there is a little bit of a category play, you are right? So if you are there, that's what portfolio plays. You have some part of your portfolio in categories that grow faster, they deliver better results. And therefore, when you look at a company like Pidilite, you are able to consistently deliver. So therefore, in that sense, these are things which help Pidilite as we go forward.



Moderator: As there are no further questions, I would now like to hand the conference over to management for closing comments.

Sandeep Batra: So thank you very much. Thank you, everybody, who's joined the call for your continued interest in Pidilite. Wishing each of you a very good evening, and we'll connect after the third quarter earnings. Thank you.

Moderator: Thank you very much. On behalf of Equirus Securities Private Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.

(This document has been edited to improve readability)