

CMP: INR 402

Outlook: Positive

Stock Info

BSE	542684
NSE	PPL
Bloomberg	1708386D:IN
Reuters	PRAS.M3.
Sector	Plastic Products - Industrial
Face Value (INR)	10
Mkt Cap (INR Mn)	9600
52w H/L (INR)	668/330
Avg yearly Vol (in 000')	136.29

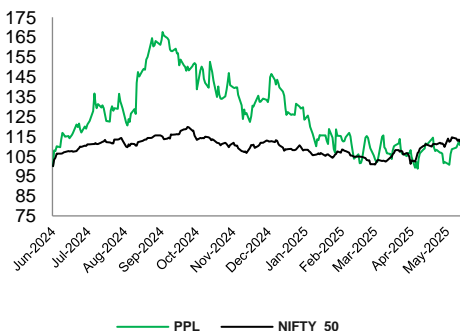
Shareholding Pattern %

(As on Mar, 2025)

Promoters	44.41%
Public & Others	55.59%

Stock Performance (%)	1m	6m	12m
PPL	+1.4	-19.1	-17.1
Nifty 50	+0.6	+0.6	+3.7

PPL Vs Nifty 50



Abhishek Jain
abhishek.jain@arihantcapital.com
022 67114851

Ronak Osthwal
Ronak.Osthwal@arihantcapital.com

Prakash Pipes Ltd, incorporated in 2017, is engaged in the manufacturing of PVC pipes & fittings and flexible packaging products. The company operates two manufacturing units in Kashipur, Uttarakhand, with an installed capacity of ~60,000 MTPA for PVC pipes and ~19,200 MTPA for flexible packaging. It serves industries like agriculture, construction, FMCG, and food processing through a network of 600+ dealers and 180+ packaging clients. The company is currently expanding its capacity and product range, including CPVC, UPVC, and HDPE drums

Self-Funded Capex for Capacity Expansion: PPL is aggressively expanding capacity using internal accruals, reflecting strong cash flow generation and financial prudence. It plans to scale up its flexible packaging capacity from 19,200 MTPA to 36,000 MTPA and is also adding CPVC/UPVC molding machines and HDPE drum lines in pipes. These initiatives are aimed at addressing rising end-user demand while enhancing product offerings in both segments

Well-Positioned to Capitalize on Sectoral Growth Trends: Company is strategically placed to benefit from the expected 10–12% growth in the PVC pipe industry, supported by sustained government investments in water and housing infrastructure. The company's strong presence in North India and growing product portfolio, including CPVC and HDPE drums, align well with increasing demand from construction, irrigation, and industrial sectors. Early onset of the monsoon is also likely to accelerate rural infrastructure and agri-pipe demand, positively impacting sales volumes. In flexible packaging, the company's capacity expansion and focus on value-added offerings cater effectively to rising FMCG and e-commerce packaging needs. Additionally, stabilizing PVC resin prices are expected to support margin recovery in the pipes division, further strengthening profitability..

Regional Leadership with Expanding Distribution: The company holds a strong position in Northern India, contributing to over 80% of sales, with a network of 600+ dealers and in-house logistics. While currently concentrated in core states like UP, Uttarakhand, and Delhi NCR, company is strategically working to expand into underpenetrated markets. This provides a visible runway for volume growth, especially in the pipes segment, where brand familiarity and distribution depth are key competitive advantages.

Structural Cost Advantages Driving Margin Resilience: Company's backward integration reduces raw material volatility, while its 100% in-house waste recycling eliminates scrap costs and enhances resource efficiency. The debt-free structure minimizes interest burdens, freeing cash for high-ROIC initiatives. Recent capacity shifts toward premium fittings having higher realizations and export-oriented packaging further structurally lift margin profiles, creating sustainable operating leverage beyond cyclical tailwinds.

Outlook:Prakash Pipes is entering a growth phase backed by visible capacity expansion, particularly in flexible packaging and CPVC product lines, which should begin contributing meaningfully over the next 12–24 months. The recent bottoming out of PVC resin prices is a near-term margin tailwind, especially for the pipes segment. While growth remains regionally concentrated, the company's measured expansion into new geographies and segments like HDPE drums adds to medium-term visibility. With no debt and strong internal cash generation, the company has room to scale without financial strain. We have a positive outlook on the stock.

Arihant Research DeskEmail: instresearch@arihantcapital.com

Tel. : 022-42254800

Head Office	Registered Office
#1011, Solitaire Corporate Park Building No. 10, 1 st Floor Andheri Ghatkopar Link Road Chakala, Andheri (E) Mumbai – 400093 Tel: (91-22) 42254800	6 Lad Colony, Y.N. Road, Indore - 452003, (M.P.) Tel: (91-731) 4217100/101 CIN: L66120MP1992PLC007182

Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

Research Analyst Registration No.	Contact	Website	Email Id
INH000002764	SMS: 'Arihant' to 56677	www.arihantcapital.com	instresearch@arihantcapital.com

Arihant Capital Markets Ltd.

1011, Solitaire Corporate park, Building No. 10, 1st Floor,
Andheri Ghatkopar Link Road, Chakala, Andheri (E)
Tel. 022-42254800

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Arihant Capital Markets Ltd.

1011, Solitaire Corporate park, Building No. 10, 1st Floor,
Andheri Ghatkopar Link Road, Chakala, Andheri (E)
Tel. 022-42254800