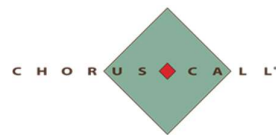




“TTK Prestige Limited
3QFY24 Earnings Conference Call”
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MANAGEMENT: **MR. CHANDRU KALRO – MANAGING DIRECTOR – TTK PRESTIGE LIMITED**
 MR. K. SHANKARAN – WHOLE TIME DIRECTOR – TTK PRESTIGE LIMITED
 MR. R. SARANYAN – CHIEF FINANCIAL OFFICER – TTK PRESTIGE LIMITED

MODERATOR: **MR. DHRUV JAIN – AMBIT CAPITAL**

Moderator: Ladies and gentlemen, good day, and welcome to TTK Prestige Limited 3QFY24 Earnings Conference Call hosted by Ambit Capital. 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. Dhruv Jain from Ambit Capital. Thank you, and over to you, sir.

Dhruv Jain: Thank you. Hello, everyone. Welcome to TTK Prestige's 3QFY24 Earnings Call. Through the management side today, we have with us Mr. Chandru Kalro, Managing Director, Mr. K. Shankaran, Whole Time Director, and Mr. R. Saranyan, Chief Financial Officer.

Thank you, and over to you, sir, for your opening remarks.

Chandru Kalro: Before I start, Mr. Saranyan will read out the safe harbour.

R. Saranyan: Very good evening. Just a reminder to all the participants of the safe Harbor clause. The discussion today may contain certain statements, which are futuristic in nature. Such statements represent the intentions of the management and the efforts being put in by them to realize certain goals. The factors for realizing these goals depend on various factors, both internal and external. Therefore, the investors are requested to make their own independent judgments by considering all relevant factors before taking any investment decision. Thank you, and over to -- proceeding to our Managing Director.

Chandru Kalro: Good afternoon, everybody, and thank you for coming to the conference. It's been a good quarter for us because we've turned around after 2 quarters of negative top line. I think given that we were also expecting it to be positive. The festival has been very -- has not been very good, but it's been decent.

We were actually having a good sale during the festival. December, unfortunately, went down. But overall, the good news is that almost all our core categories, we have registered volume growths. All our key metrics from a P&L and a balance sheet standpoint have improved during this quarter. And we believe that on a relative basis, we have done much better than our peers and competitors in the market.

The overall demand scenario, though, is, I think, looking unpredictable to say the least, it's not looking great. You must have heard this from everybody talking about discretionary expenditure not growing. And that is the situation that we are also facing. We've taken several steps that have made us mitigate the effects of such things, which is why we have shown a positive top line, and we hope that we will be able to do similar things in the coming quarter as well.

I now hand it over for any questions that the participants might have. Thank you very much.

Moderator:

Thank you very much. We will now begin with the question and answer session. The first question is from the line of Sameer Gupta from India Infoline. Please go ahead.

Sameer Gupta:

Thanks for taking my question. Sir, sequentially, on a stand-alone basis, our sales are flat and this is despite the benefit of a delayed Diwali this year, so if I look at on a 2Q to plus 3Q basis, if I adjust for the festive this year, sales are down actually 6%. So isn't this an indication that demand situation has actually worsened versus the previous quarters. And in a broad -- I mean I'm not -- I'm just trying to understand the demand scenario here overall industry-wise. Sir in your assessment, are you seeing any major trends that you can highlight where exactly are the pressure points?

Is it only the lower income or lower price segments? Is it urban, semi-urban, unorganized coming back, taking away share? So just a little bit of colour on these aspects would be really helpful in making us understand what is happening to the overall discretionary demand, sir?

Chandru Kalro: Well, I think it's a little bit of everything that you stated. The demand, like you said, from the numbers of Q2 plus Q3, I mean, you are -- we are negative. I mean, there is no doubt about that. The situation is that the sentiment of the channels are not positive. I mean, if you look at the overall offline channels, they are kind of flattish, if not negative.

The general trade or this mom-and-pop stores are actually negative. They are losing share to the other channels, especially online. Online has done very well during the quarter. So naturally, the willingness to stock up product is not there. So, there is no channel stock up or up-stocking that normally happens at the end of a quarter like this.

All of these things are pointing out to only one thing, that sentiment is not really positive. The pressure points are definitely at the lower middle class. There is no doubt about that. The share of wallet, we have been speaking about from Q2 -- from the last two, three quarters, the share of wallet is now hopefully normalizing in the next one or two quarters. I think all the revenge travel and travel and hospitality related things, which were getting a higher share of wallet might actually normalize. But for the demand to get robust and positive, I think it will take a couple of more quarters.

Sameer Gupta: Great sir. Any particular drivers of this, I mean, demand recovery? Or is just a matter of time that you are basically putting it -- basing it on?

Chandru Kalro: I think it's a matter of time. I mean, it's a matter of normalization of the wallet. It's a matter of -- and what we also do -- what we are doing is actually doing whatever is in our control. Launch new products, get the innovative products off the block and actually get the customer interested to come to us. We are a mass premium brand. We are not a premium brand, neither are we an entry-level brand. So therefore, we have that leeway to get in with innovative products that are a good value equation, and that's what we are trying to do.

Sameer Gupta: Great sir, that's all from me. I'll come back in the queue if any follow up. Thanks a lot.

Chandru Kalro: Thank you.

Moderator: Thank you. Next question is from the line of Prakash Kapadia from Anived Portfolio Managers Private Limited. Please go ahead.

Prakash Kapadia: Thanks for the opportunity. Based of our nine-month sales and our performance, sales are down, PAT is down. Last few quarters, we've been hopeful of recovery primarily led by the fact real estate is doing well, and there could be some lag effect, but that clearly is not happening. So, what am I missing? Obviously, you talked about sentiments at the channel level. They are not keen to stock much. Wallet share, you've been talking about some of these things, but real estate even now continues to do well. So why is it not fructifying to higher sales for our products? And secondly, if you could give us some sense of contribution of mass premium products to our sales as of now? What was it pre-COVID? Because obviously, rural seems to be more affected than urban, so any direction in that will help.

Chandru Kalro: So, I mean, the way I'm looking at it is very simple. Q3 has bucked the trend. You can say that the festival was shifted, so what the hell. But then if you look at TTK Prestige versus its competitors, and its competitors, if I take into account not just kitchen appliances, but home appliances, the demand has been poor. And if you look at the way they have performed during this quarter -- in fact, their margins have been badly reduced, and we have managed to actually largely keep our head above water on that front as well.

I see this as a turning around quarter. I'm hoping that it will stay that way and then only go back to a better time. Coming to the real estate issue that you raised, the real estate is a lead indicator. Finally, all those flats which get sold have to be get lived into. And once that happens, and I believe that, that will happen after the home appliances have gone in and the geezers and the fans have gone in, then only the kitchen will get all their appliances.

And I think we are looking at three, four quarters down the line when that actually fructifies into sales for us. That's the way I'm seeing it. And the last question, which you had, what is the contribution of mass premium products in our portfolio, it's almost 85%.

- Prakash Kapadia:** Okay. This real estate thing, just to understand a bit better, it's been buoyant since COVID. Deliveries happen, people moving over a period of time. So, shouldn't it fructify or shouldn't that get reflected in higher sales for us?
- Chandru Kalro:** Not necessarily, but it will -- I mean naturally, it should happen. But I'm not saying that it should have happened by now. I don't know what the delivery situation of apartments is at this point in time.
- K. Shankaran:** Not just delivery, but occupation also.
- Chandru Kalro:** And then the occupation, how many people are actually occupied. Remember that the last 1.5 years, there's a lot of money that moved into asset classes because people have started investing more. The stock market is at its premium, I mean at its best. Gold has gone up. A lot of investments have happened, so to speak. How much of that will come into a consumption area like ours where involvement is not as high as many of the other durables. I think that's where the issue is. It's not that it's only particular to TTK Prestige, the industry in general.
- Prakash Kapadia:** I totally understand and appreciate whatever we've done or on a relative basis I am not saying relatively, we would have done better, but given the brand positioning, network, history, seems like we should have done much more than what I was trying to understand?
- Chandru Kalro:** I take your feedback positively.
- Prakash Kapadia:** And lastly, any sense on input costs or commodity, any softening trends we are seeing are raw material costs more or less stable, upward, downward. What are we witnessing?
- Chandru Kalro:** It is stable with a downward bias.
- Prakash Kapadia:** Okay. So that should help us if to grow the market. So maybe we can try and take some price revisions to boost demand, if any?
- Chandru Kalro:** Which is happening, by the way. There's a lot of discount is specially happening in the market with every company will tell you.

- Prakash Kapadia:** Understood. I'll join back if I have more questions. Thank you.
- Moderator:** Thank you. Next question is from the line of Mr. Achal Lohade from JM Financial. Please go ahead.
- Achal Lohade:** Good Afternoon Sir, Thank you for the opportunity. First question for 9 months, if you could, in terms of the growth in appliances, if you could break it into the top 3, 4 categories, how the growth has been in each of that? And I'll follow up on that after that.
- Chandru Kalro:** So, I think we've given the breakup for 9 months, which is they are available with you. And I don't want to give more information than that because its competitions sensitive. I mean, which categories we are going after, I don't want to say it.
- Achal Lohade:** Okay. Now let me ask this question in a different manner, sir. Basically, if I see past say, 8, 9, 10 years, the appliances has been the fastest growing among the 3 categories. Now if I look at the 9 months, the appliances growth, yes, I completely understand with respect to the macro situation, but the appliances growth seemed to be much softer even compared to cooker cookware.
- For 9 months, if I look at a 4-year CAGR as in pre-COVID 9 months, it is 4% compared to 6%, 7% for cooker cookware. So, what I'm trying to understand better from you is that any particular category where you're seeing the pain much more than the other categories? And if so, why would that be sir?
- Chandru Kalro:** So, our core categories, we are not seeing that. That kind of CAGR we are getting. What is not written here is there are some categories like vacuum cleaner, which we had grown in a big way and that we have actually almost left out in this year because of the competition and whatever else was happening in that category. So, we virtually exited that market. That is included in these appliances that you are seeing. So, if I look at my categories overall, like if I take gas stoves or mixer, grinders or induction cooktops or kettles or things like that. We're looking at a high single-digit growth like cookers and cookware, it's not very different.

And just to further that, you know that 3 years, 4 years back, just after COVID we actually dropped China. So, there were some product lines which we had to drop because they were not worthy of moving the supply chain into India. And some revenue losses happened on account of that as well.

Achal Lohade: Which were those categories and what would have been their contribution sir?

Chandru Kalro: So, for example, Air fryer. For example, OTGs, those are some of the categories where we could not tune up all of the models that we needed. We had to prioritize on certain other categories, which we have a larger stake in, for example, kettles. We had a larger stake in toaster, blenders, those we focused on. Where we had smaller volumes, we did not focus on. And we rationalized the cleaning solutions portfolio. So, these are some of the things which are included in the appliance, which are getting buried in this. That is what has happened.

Achal Lohade: Got it. Sir, if I were to ask you, assuming the normalcy returns over next, whatever, 2, 3 quarters from a medium-term perspective, how would you look at growth? I mean if I get what you're saying, it looks like more of a high single-digit growth. Is that a way to look at appliances portfolio? Or do you think it could -- we could go back to the mid-teens, high-teens kind of a growth, anything from those categories?

Chandru Kalro: We could definitely go back to the mid-teens growth because remember that all indications on the economy are looking at 6.5%-7%. And we have always said that our growth should be at least twice the GDP, and that's what our aim is. That is what we want to do. So, our mid-teen growth is the objective, and I think we can start getting that once that market turns around.

Achal Lohade: Got it. And this is for the entire basket? Or are you talking more of appliances? Because I presume cooker, cookware the growth will be more of high single digit at best.

Chandru Kalro: No. Even in cookers, cookware, with the kind of product pipeline that we have in mind, we could look at growth in the teams.

Achal Lohade: Understood. And just one more question, sir, if I may ask, with respect to margins. Now if I look at the gross margins, they are just all right. I mean, compared to, obviously, the past, it is slightly lower, but they're still in the range of 40%, 41%, 42%. But if I look at the EBITDA margin, that's for last few quarters is actually sub 13%. And we've historically been 15%, 16%. So how do we explain this?

Because the RM cost seems to be fairly stable for last 2 quarters at least, but our margins are under pressure. So how do we explain this? Is there a significant cost addition, which is taking a toll or the cost inflation is much in general compared to the sales growth, that's the only explanation?

Chandru Kalro: You yourself answered the question. My gross margin has actually been very stable at around 42%-43%. And what has happened is, because of the lack of growth, the operating leverage is not allowing me to put that margin down to the bottom line because my overall fixed cost definitely tend to go up. And that is what you are seeing here. And that is the difference that you are seeing because if the operating leverage improves, then you will get there.

Achal Lohade: So fundamentally, nothing has changed except...

Chandru Kalro: Nothing has changed, the company, in fact, unlike my peers, has retained its profitability structure. I'm very proud to say that.

Achal Lohade: Understood. Sir, just for 3Q FY'24, what is the A&P spend? And what was it for last year, same quarter? If you could give the absolute number in terms of advertisements.

Chandru Kalro: It will be slightly -- will be very similar actually because then what has happened is basically 1 month this festival has moved into the Q3 from Q2. And our advertising largely started from first week of October, if I am right -- last week of September, if I'm right, because Shradh was finished and that's when it started. So, it's in that 6%-6.5%. That's how it is normally.

Achal Lohade: Okay. Because I see other expenses have kind of declined 2% Y-o-Y while the sales have grown 5% for third quarter. So, is there a reduction in absolute spend in advertisement?

- R. Saranyan:** See, what we are also done was I think we have done a lot of sales promotion expenses that would have gone into the sale just sort of against the sales instead of against the expenses last year that would have been spent as below the line number.
- K Shankaran:** This accounting standard treatment, some type of discounts have been deducted from our sales, , so you cannot measure this based on the number alone.
- Chandru Kalro:** So, the advertising money has not come down? So, to shore up profitability. If that is your question, no, that's not happening.
- Achal Lohade:** Got it, got it. I think there is an element of discounting, sorry I'm asking too many questions, but the discounting part if you could elaborate any particular category, any particular region or any...
- Chandru Kalro:** No, it was across the board. It was across the board for all our core categories for the festival period because we needed to make sure that our saliency was high. And that is what happened. And that has got netted off the turnover and you're not seeing it in the expenses column.
- Achal Lohade:** And that's why probably the percentage margin also are...
- Chandru Kalro:** Exactly. That is why the gross margin is looking like the way it is. Exactly, you got it.
- Achal Lohade:** Got it. Thank you so much and wish you all the best.
- Chandru Kalro:** Thank you.
- Moderator:** Thank you. The next question is from the line of Bhavin Vithlani from SBI Mutual Funds. Please go ahead.
- Bhavin Vithlani:** Sir, my first question is on the management changes and probably 2 years. So, we see the announcement of a CEO role, which is split in the MD and the CEO role, Mr. Venkatesh has been appointed. So, question one here is if you could explain the rationale and thought process? The second question on the management changes is we hear about a lot of churn at the functional and

the regional heads for TTK, a good part also has been retiring. So, if you could give us a flavour on that, it will be helpful.

Chandru Kalro:

Okay. I'll start with your second question. TTK as a company it's not very uncommon for people to work 15, 20 years and retire in this company. And like you correctly pointed out, a lot of these is not churn really, it is people retiring, and we have had to plan succession, and that succession planning has happened steadily for the last 5 to 6 years, at least in various levels from N-1 to N-3 levels. And that's what has been happening. We have been steadily announcing to you various people who have been joining as succession to the existing senior management suite that we had.

And we last time announced the new chief manager. Now as part of that same succession, we are looking at Mr. Venkatesh taking over as the CEO of TTK Prestige and splitting my role, which is of the MD, which -- where the operating -- TTK Prestige is at one level. And the other thing is, how does TTK Prestige look for a long-term growth strategy, both organic and inorganic, and which -- and therefore, I should not be saddled with the day-to-day running while he runs it.

I look after going after new opportunities in the market. You know we've got almost INR1,000 crores in the bank. There has been this question as to what are we doing with that money? And the idea is that I spend a lot more time on finding out what to do with that money while he runs the company. So that's the broad plan on this.

Bhavin Vithlani:

Second question is on the pricing ladder calendar year 2022. There was pay off price increases due to the inflation. And the feedback that we've been getting is that the premium of Prestige versus the regional brands has kind of increased and consequently is what we have seen, some of the regional brands actually are gaining dominance and perhaps that's one of the reasons for the slower growth than we anticipated. So, if you could throw more light on this, it will be helpful.

Chandru Kalro:

No, that's not entirely true, while that is perceptibly true. The thing is that what has happened after 2022, the first -- the smaller brands are a little more

shy to take price increases as opposed to the leader like us. That's something we took. Then once we have taken the price increases and the cost came down, the smaller brands tend to discount it faster than us. Obviously, because of the channel stocks and other things, we are a little conservative on this.

And also, we believe that the brand with its current position can take that premium. While the premium would have gone up at an operating level to the end customer, that is not going to because I took the price increase, but because they discounted more. And what you have seen in 2023, is that most of the brands have been discounting and almost every brand would have told you in their commentary that there has been a heavy discounting and we have had to follow suit.

And most of our peers, you would have seen has almost wiped out their margins in this exercise, while we have actually largely maintained ourselves. The operating premiums now in the price ladder, there is some level of rationalization that has happened even in Q3 for us in various categories. And it is at the same -- similar level of what we believe Prestige should be over its peers and competitors over the regional players, and we are very comfortable with that. I don't think there's a problem here.

Bhavin Vithlani: Sure. In continuation, are there any long-term trends that you see, I think one of your peers pointed out to ISO mandate and perhaps that will be helpful to the larger company like Prestige, where the use of recycled aluminium will be barred. Maybe more light on that will be helpful?

Chandru Kalro: No, no, there is -- the government of India has decided that whatever products are sold in India are of the highest quality and they have a customer-first policy. They are also looking at how do we create nontariff barriers and - so that imports which are not necessarily to be done are stopped. So, what they have done is, over a period of time, brought in standard like BEE and using BIS to create standards and make them mandatory for various categories. And that is happening on a continuous basis. Right now, for example, 1.5 years back cookers became mandatory for pressure cookers.

Right now, all cookware, it has become mandatory to have ISI. So, you can no longer import these products from outside just like that. Coming to the recycled piece, the standards committee is working with the industry to look at how various grades of aluminium can be included over a period of time. It's a slow process. But I think there is no major problem for most of the existing brands in the country to actually comply with these. Recycled as a theme is not very large in India. I mean, recycled per se has very -- almost negative connotation saying you're not giving me virgin materials, so maybe I shouldn't bring you that much. Whereas in the western economy, they look at recycled as a sustainability theme. They look at reduced recycle is a very big theme. So, these are things that are evolving. And I think over a period of time, they will settle down. But it's good for the brand, and it's good for the organized industry when these kind of things happen.

Bhavin Vithlani:

Last two questions on the growth. So previously you guided where 9 -- quarter 3 was looking good, and you wanted -- you stipulated it to be that 9 months we will end up flat but we are minus 7% and you expected flattish to marginal growth for the full year as a whole. Now given the performance that we have seen in this quarter, what is your expectation for the current year? Medium term, you expected a mid-teens growth. So, what is your expectation for FY'24 now with only a couple of months to go, that's one.

And second is the continuation to previous question where we saw that -- I mean, if you look at it on a 4-year basis, while your revenue growth is much slower than the CAGR that we are seeing in employee costs and the other expenses, it probably seems like the sales growth has disappointed what you had planned for. So, are you taking any action in terms of cost that the EBITDA margins -- while the gross margins are intact but the EBITDA margins go back to that 15%, 16% run rate due to the cost action?

Chandru Kalro:

So, the first question on where do I see us end this year? I don't think we will be flat; we will be slightly negative at the end of the year; the way things are. By how much? I don't want to say at this stage, but I don't think that we will be flat over last year. This is my personal opinion and the way things are. Looking at the other question as to, are my costs going up and what am I doing

to bring down costs? My costs are not going up really, it's the growth that's not happening.

And the whole idea is to make sure that growth comes back. And we do everything to make the growth come back. And we believe that there are methods to make the growth come back for us by doing specific things. Those strategies are being formulated as we speak. And you will see some of that as we go forward, but we are very confident that we will, relatively speaking, do better than our peers on this matter.

Bhavin Vithlani: Those were my questions. Thank you so much for taking my questions.

Chandru Kalro: Thank you.

Moderator: Thank you. Next question is from the line of Senthilkumar from Joindre Capital Services Limited. Please go ahead.

Senthilkumar: Thanks for the opportunity. Firstly, congrats on maintaining margins despite a very challenging business environment. And I have 2 questions. First on is what is our debtor and inventory days as of 31st December 2023?

Chandru Kalro: In fact, our debtors at the end of 31st December are at a very good situation where about 35 days -- 35 days as we speak. And our net current assets -- I will go with the net current assets are at 44 days.

Senthilkumar: Okay. What is the inventory days, sir?

Saranyan R: So, this will be around close to around -- close to around 75-80 on our consumption

Senthilkumar: I have a second question other the channel inventory has normally seen the domestic business. I'm asking in terms of our primary channel and secondary channel?

Chandru Kalro: Honestly, I don't think that the channel inventory has gone up or -- but it might have actually had a downward bias towards this because of the sentiment that is there, it might have come down at the primary level.

- Senthilkumar:** Okay. That's it from my side. Thank you.
- Chandru Kalro:** I'd just like to add quickly that the sentiment is such that the channel doesn't want to stock up either unless they find something change.
- Senthilkumar:** Okay. Thank you.
- Moderator:** Thank you. Next question is from the line of Resha Mehta from Green Edge Wealth. Please go ahead.
- Resha Mehta:** This is Resha. So, the first one is on the promotion expenses, right? So, from the presentation, you have mentioned that you have stepped up our promotional expenses. So, as I understand till now, we had not gone down this part of increasing promotional expenses in response to the increase in competition. So, is there anything that has changed materially over year?
- Chandru Kalro:** No, we decided that, okay, after two quarters of negative, we had the festival season to look forward to. And it was one time we definitely didn't want to have any market share losses from a long-term perspective, and we decided that we'll do it. We quickly got out of it. We finished November and then we got back to normal. So, it is a one-off case, which I think festivals required it from a brand perspective as well. And the value-seeking customer is there in the market, we wanted to attract that customer. Nothing out of the ordinary.
- Resha Mehta:** Okay. And despite the higher spends, the gross margin was still maintained. So, is that due to better product mix or what drove the in the gross margin?
- Chandru Kalro:** No, in fact my gross margin would have been better. Since there was a little bit of a benign situation on input costs that we have decided to pass on in the interest of market share.
- Resha Mehta:** Understood. And this competitive intensity that remains high. And you mentioned that only the online channel is registering growth. So, here in the online space, you see the heavy discounting from essentially regional and the relatively unbranded kind of players? Or is that across the board even with national players?

Chandru Kalro: No, there are few regional players who resort to excessive discounting. Generally, the national players resort to stable pricing because they have other channels to take care of. So, channel companies like us and those national brands would normally not do such things. While they might have 1 or 2 opening price point products, which they might have at a discount, we would largely like to maintain channel harmony so to speak, and therefore, pricing is very carefully done.

Resha Mehta: Understood. And lastly, on the Judge brand. So, sort of mentioning that you all have expanded the distribution network and next year is when we will reap the benefits of repositioning the Judge brand. So, can you talk about what kind of distribution expansion have been done in the Judge brand? And any - and assuming, let's say, the consumer sentiment improves, what kind of numbers can the Judge brand do for us in the next 1 to 2 years?

Chandru Kalro: See, Judge was stand-alone earlier. And it was -- we said Judge made by TTK Prestige and brought to you by TTK Prestige, it obviously didn't cut ties. So, we said that -- listen, I mean, we rebranded it as Judge by Prestige, we changed the packaging and what we did was we integrated the distribution of the Judge brand into the main line Prestige portfolio. And over the last few months, what we've tried to do is get depth and width through the existing Prestige distribution to make sure Judge is distributed.

While doing so we also rationalized the product portfolio of Judge so that there is a minimal cannibalization now that the sales system was also integrated, that's taking its own time. Then the last thing that we did in the Q3 advertising, it was actually integrated Judge by Prestige into the mainline Prestige advertising, which I think has given us good traction. And we are looking at taking this forward. Right now, Judge distribution is the subset of Prestige.

We're looking at how that gap can be minimized over a period of time. How much Judge will contribute? For us, Judge is a fighter brand. It's a value brand. Prestige is the innovation brand. Judge is the value brand. Each has his role to play, and we will use that tactically, strategically as we go along.

- Resha Mehta:** So, when you say that the Judge brand has -- you're trying to integrate that into the Prestige distribution network. So isn't there then a risk of cannibalization. And that was as I understand the initial thought process and hence Judge was a very limited play. But if Judge and Prestige are together in the same store, for the customer, there is a good chance that we may down trade or something of that sort?
- Chandru Kalro:** Which is what I was telling you that the product portfolio itself is getting rationalized. So, for example, you will find a pressure cooker of Prestige, but you will find the accessories for that pressure cooker by Judge. I am just giving you example of what that can be.
- Resha Mehta:** Right, right. So, we are comfortable in a sense that there will not be a heavy cannibalization?
- Chandru Kalro:** That's the attempt, we want cannibalization. And we'll do -- there will be a very few overlapping categories. Largely, these 2 brands will go in different directions. But with a few overlapping or anchor categories you might say. So, for example, there will be nonstick cookware in both, but the nonstick cookware in Judge will have different values from Prestige. Because the value proposition to the customer as from a good, better, best perspective has to be very clear at this point of sale.
- Resha Mehta:** Right. Alright, thank you. All the best.
- Chandru Kalro:** Thank you.
- Moderator:** Thank you. As there are no further questions, I would now like to hand the conference over to management for closing comments.
- Chandru Kalro:** Well, thank you, everybody, for a very, very stimulating session of questions. I think as I said, Q3 has been a turnaround. It would -- I would have liked it to be better, but I think it's still a turnaround. And I think there are various metrics on which TTK Prestige has outscored its peers, and we hope to continue to keep that good performance going forward. For us, growth is everything, and we are working very hard towards getting back to growth,

and that's what you will see us do and talk about as we go along. Thank you for joining the conference.

Moderator:

Thank you. On behalf of Ambit Capital, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.