"TTK Prestige Limited

Q2 FY27 Earnings Conference Call"

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MODERATOR: **MR. ARCHIT SHAH – 360 ONE CAPITAL MARKET**

Moderator: Ladies and gentlemen, good day and welcome to TTK Prestige Q2 FY27 Earnings Conference Call hosted by 360 ONE Capital Market. 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 touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Archit Shah from 360 ONE Capital Market. Thank you, and over to you, sir.

Archit Shah: Thank you, madam. Hello, everyone. On behalf of 360 ONE Capital Market Private Limited, we welcome you all to Q2 FY27 Earnings Call of TTK Prestige Limited. We have with us today the senior management of the company, represented by Mr. Venkatesh Vijayaraghavan, Managing Director and CEO, Mr. K. Shankaran, Advisor to the Board, and Mr. R. Saranyan, Whole-Time Director and Chief Financial Officer.

Now, I shall hand over the call to the management for the initial presentation, post which we will open the floor for question-and-answer session. Thank you, and over to you, sir.

R. Saranyan: Thank you. Good evening, everyone. Thanks for joining today's earnings call. Before I hand over the proceedings to our Managing Director, Mr. Venkatesh, I just want to remind the participants that 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 success in realizing these goals depends 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 decisions.

Thank you. Over to you, Venkatesh.

Venkatesh V: Good evening. Let me start with a little bit of an overview on our overall economy and then the industry per se, and then our specific performance for the quarter. We remain very confident and comfortable with the way we look at the Indian economy today, both from a macro perspective, where with so much of uncertainty around the global scenario, we do believe that the Indian economy is far more stable and offers a lot more stable business opportunities as we move forward.

The macro economics, as we see, the macro factors seem to be sort of stabilizing, and that seems to be a silver lining for us globally in comparison, also in terms of specifics to the industry as well. The GDP projections remain quite robust, and that's a sense of comfort.

What we do see, of course, is a lot more positive view around investment, particular to our industry as well. I think that's a welcome sign that we see in times of such global uncertainty, and I think that augurs well as we move forward.

In terms of our specific categories, the last two quarters in particular, and this quarter in particular, has seen a sort of a significant drive in the industry. A lot of macro factors that are

helping us, including the demand drive, including consumer demand, which has been substantially increased in the last few quarters, and a sustained way of looking at the business.

The industry and the categories at large where we are present seem to be presenting a positive view for us after a period of a little bit of a dull lull period. I think the last few quarters we've seen that revival happen at the industry level as well.

Driven by consumer demand, driven by very specific trends like we mentioned in the past, in terms of urban premiumization, in terms of willingness of consumers to try out new products and new categories, in terms of scaled-up manufacturing capabilities, and also in terms of being able to bring to the table a lot more innovations.

In general, I think there's a lot of vibrancy around the category, and we do hope that augurs well as we move forward as well. Specific to our performance, I think it's been a great quarter for us. One of the quarters that we've seen good movement in terms of our top line as well as in terms of our profitability.

More than the business numbers, I think what we are quite comfortable and quite confident about is that a lot of initiatives that has been kicked in at a company level through the last few quarters, reinforcing our focus on quality of products, reinforcing our focus on distribution transformation, a lot of focus on bringing in new products and innovation.

They've started to kick in at a larger scale, and I think that's helping us in terms of a good top-line growth, a very robust top-line growth, followed and backed up by a reasonably robust profitability as well.

Having said that, there are a little bit of challenges that we face today. As we speak, the pressures on cost, the inflationary cost pressures have been significantly high and continue to be of concern for us in the coming quarters as well.

While at an industry level, and we at a particular level have been sort of mitigating them with price increases, I think the cost increases are at a stage where it probably would affect demand, and therefore, I think we would want to look at it more from a perspective of a stable environment over a period of time.

Robust top-line growths backed by macro factor-driven demand, internal transformation agenda of the company is working well, and of course, a lot of cost initiatives helping us build the profit table stable. The concern continues to be on the rising cost, inflationary pressures, and how do we handle that as we move forward.

That's probably what I would say. But I think it's been the last two quarters in particular, and this quarter has been sort of a substantial growth for us. We're quite happy about that, and we do believe that over a period of time, we would be able to sort of leverage this as we move forward.

From a number's perspective, we did close to around 21.9% on total sales, with around a 23.4% from the domestic market. Exports have been a concern. They continue to be a concern because of uncertainty around the war scenario and a little bit of global scenario.

The domestic market has shown significant resilience in terms of demand, and we grew at around 23.4%. Our operating EBITDA has had around a 70.9% growth. We continue to stay invested in terms of brand initiatives, in terms of go-to-market initiatives.

A lot of initiatives that we have taken around process transformation is sort of reaching a stage where we're starting to see the benefits of that, and we continue to hope to see those benefits as we move forward. We've also made some changes, which I would let Mr. Saranyan speak about a little later on some of our investments and changes that have happened.

So, at an overall business level, a very good quarter, sustained, and we do believe that as the business moves forward, we will be in a much better position given the internal transformation that we've done. We do believe that we've been constantly beating the market, and in many of the categories, we've been sort of increasing our market share, which has been one of the key KPIs that we focus on.

We have been delivering higher market shares with profitable growth, and that will be the way forward as we speak, driven by premiumization, innovation, and a lot more focus on new product development and deliverable to the market as well. So, that's an overall scenario, and we remain confident, and we remain excited about the growth opportunities that would come forward.

In the short term, we would, of course, like I said, have pressures on cost, which we do believe will need to be managed slightly differently from the past, and we would probably come back on that a little later.

So, that's my summary from a quarter perspective, and I'll probably leave it to Saranyan to just brief you on the other agenda and then get on to the questions.

R. Saranyan: I just want to give two updates for this quarter. I think it's already announced in the stock exchange as well earlier. One, we have divested our investments in our subsidiary, 51% subsidiary, Ultrafresh Modular Solutions, primarily because based on the exercise what we are going through in the last one year, we decided that we have a lot more to do in our core category and the core market.

So, we didn't want to divert our attention to any other category, so we decided to divest that investment. So, that loss, whatever we have incurred as part of this transaction, it's already been recorded in this quarter's results as an exceptional item. As you know, we also invested in one of the startup company engaged in the rural distribution couple of years back through the compulsorily convertible debentures.

That also, unfortunately, due to the microfinance institutionindustry going through the tough weather, this company was in a similar customer base. They were not able to grow as they had initially envisaged. They had to shut it down. We have taken a hit on the CCD as well, and then

that INR 2 crores loss is also considered in this quarter's financials as an exceptional item. These are the two exceptional items that has come in this quarter. Over for any questions.

Moderator: We will now begin the question-and-answer session. The first question comes from the line of Lakshminarayanan from Tunga Investments. Please go ahead.

Lakshminarayanan: Yes, thank you. I just want to understand the cost escalation which you talked about. Is it in aluminum, or is it in steel, or is it in plastic? Can you just elaborate? And how the industry is taking price increases? Because I understand that in some of the small appliances, price increases companies are taking. So, with respect to us, how is the price increase taking place?

The industry in general is taking price increases or somebody is waiting for others to take the pricing. That's my first question. Second is, in terms of the strategy expenses, you said it will continue to incur. Can you just give an outlook of how much of the strategy expenses would actually happen in this year, and how much has already took place in the first half?

Venkatesh V: Yes. So, on the cost impact, I think the cost impact has been across commodities. It also includes packaging material. It also includes all input materials that have gone into handles and other rubber-related, chemical-related costs as well. So, commodity pricing in general has gone up significantly, or I would say 95% of the input line items have got impacted in terms of cost.

So, that's one. In terms of the cost increases being sort of mitigated through price increase, I think it has been a very staggered one. We have taken a step jump. We've been followed by other players, but they've been in a staggered manner.

So, in our view, the industry has not fully absorbed the cost yet, and I think it will sort of continue to flow through into the next few quarters as well. So, that's from a cost perspective. We would believe that there is some more cost increase mitigation that needs to be done in the coming quarters as well.

In terms of our own internal investments, the first part of the investment we have done around building capability, building capacity. The current investments would go into brand, and the current investments will go into strengthening our brand position across some of our core categories. The spends would continue to be there, but it would sort of get realigned with our brand objectives at this point of time.

R. Saranyan: Just to give you the number, I think last year we have incurred close to around INR100 crores, close at around INR85, and then the previous year around INR20 crores. In the first half, we have incurred around INR13 crores. It's all disclosed in the financial statements as well.

Lakshminarayanan: Okay. For the year, how much you are budgeting?

R. Saranyan: We have an outlay of around INR200 crores-INR250 crores, is what we have outlay for a period of three years. That's what we will be spending. We are in the second year now, one more year to go.

Lakshminarayanan: Got it. Good. The third question is, how are you seeing buoyancy in the channel? Because we had the festival being pushed to the third quarter. I think second quarter has also been good. Had the festival sales already come in the second quarter, or do you think it will actually come in the third quarter?

Venkatesh V: There will be a little bit of flow-through into the third quarter, given the festive season currently. That will continue to be there in the third quarter. A little bit of flow-through would happen.

R. Saranyan: We had indicated that also in the investor presentation, and October has been good.

Lakshminarayanan: Okay. How has the salience in e-commerce been for us? Is it because we had these sales last month, or maybe I do not know whether it happened in the second quarter or third quarter? In general, what has been the salience in e-commerce?

Venkatesh V: No, one of the things that we continue to maintain, we are an omnichannel growth-driven company. At large, our e-commerce /quick commerce together would contribute around 20% of our sale. The band of contribution remains in the same level. We are growing equally aggressive across all channels today. So, it is not very completely skewed towards e-commerce. We have uniform growth across all channels today.

Lakshminarayanan: Got it. In terms of new product introduction, either additional SKUs or completely new areas, how the progress has been in the first half, and is it in line with the company's target?

Venkatesh V: It has been in line with the company's plan. New product development and SKU range is something that we have completely built. A large part of that also was done in the last quarter as well. So, from a half-year perspective, if you look at, we significantly ramped up the number of SKUs that have gone into the market.

Whatever gaps that we had earlier in terms of a portfolio, that is all complete, and we now sort of lead the industry in terms of new product development and SKU introduction into the market at this point of time. So, new SKUs and NPDs are a substantial part of our growth lever today.

Lakshminarayanan: Got it. In terms of triply growth, there has been a strong growth for the sector in general. If you index to 100, what have been the triply growth for us over the first half? Whether the cost escalation there is also very high, or is it demand is slightly inelastic there?

Venkatesh V: No, you are right. We would be ahead of the market in terms of triply growth. We are gaining shares in triply. The cost impact is there in triply as well, because triply is a combination of stainless steel and aluminum. That cost escalation that we are getting on stainless steel and aluminum is impacting the triply category. But from a growth perspective, triply remains the most aggressive growth segment, both in cookers and cookware.

Lakshminarayanan: And what kind of growth you see in that sector? Is it like, how much more than the overall growth you have got? Like, overall growth is 22%, 20%-22%, but how much is the triply is actually growing there?

Venkatesh V: It will be around 1.5x. From an average industry growth, triply would be around 1.5x.

Lakshminarayanan: Okay. Thank you so much. I will come back in queue.

Venkatesh V: Yes.

Moderator: The next question comes from the line of Aakash from YES Securities Private Limited. Please go ahead.

Aakash: Yes, thank you for giving the opportunity. Sir, we have seen that your other expense have come down, say, Y-o-Y and sequential basis. So, what has led to that?

R. Saranyan: See, as we had mentioned as part of one of the notes in the financial as well, last year we had incurred some strategic expenses of close to INR 36 crores, sorry, in the second quarter around INR 18 crores, which is not there in this quarter. So that's one of the reasons why it has come down. In addition to some initiatives what we have been working on in the last one year to bring down, optimize some of our costs, that benefit is also flowing through now.

Aakash: So, going forward, this…

Venkatesh V: Yes, sorry. Go ahead.

Aakash: Sorry. Sir, go ahead, yes.

R. Saranyan: Sorry, can you repeat the last part?

Aakash: No, sir, going forward, so these strategic investments, sir, will it be going on or it is done for the…

R. Saranyan: No, this will go on for some more time. As I was mentioning in the previous participant as well, we have planned INR 200 crores-INR 250 crores of strategy expenses in three-year period. We are just in the second year. One more year to go. So, there will be some more spends that is coming in the coming quarters. This is all for the long-term benefit of the organization.

Aakash: Okay, thanks a lot for this.

Moderator: The next question comes from the line of Archit Shah from 360 ONE Capital Market. Please go ahead.

Archit Shah: Thank you for the opportunity, and good set of numbers and congratulations. The first question is on volume. I mean, even last year was a 9%, 10%, 11% growth, and we were at 22% on that. So how much would that be attributed to volume and value from that? And how much of the pricing is still left to pass on there?

R. Saranyan: The volume growth is expected something around, out of the 22% is around 8%-9% will be the volume growth. The rest will be the value.

Archit Shah: Product mix, yes.

R. Saranyan: The product mix, if you look at, I think what we have seen is the premium products are doing better. As Mr. Venkatesh was mentioning before, the triply has been growing better than the other cooker or the cookware. Similarly, I think we are seeing the premiumization is happening.

So overall, if you look at, I think the information is also given in the investor presentation. The cooker is around 30%-32%, the cookware around 15%-18%, the appliances another close to 50%.

Archit Shah: Okay. How much of this still, I mean, if 8% is volume and rest is value, so are there any further prices left to be passed on, or we have taken most of it?

Venkatesh V: We would, yes, like I mentioned, there would be a little more of the prior cost that needs to be passed on to consumers, but that's a call that we would take as we move forward.

Archit Shah: Okay. Sure. Secondly, on these other expenses, there are strategic opex last year, which is not there right now. Is this related to the INR 250 crores that you have planned or was there any other opex that you did not incur in this quarter?

Venkatesh V: See, our strategy expenses, like I mentioned, are in three phases. The first phase was around internal capability building, taking external help to make sure the organization's ready for the scale-up. I think that part of it, we are reasonably comfortable. The second phase of the investment would flow into product development and into new product development and into brand.

So, from a direction perspective, we continue to be invested upon, and we will be spending on strategic investments as we move forward. The nature of the spend would probably move into brand significantly and into investing behind innovation. So, these are two areas that we would probably call out for the next few quarters, and substantial investments will go behind them.

Archit Shah: Okay. How much of this you have already incurred, like any numbers you can give out of INR 200 crores-INR 300 crores?

R. Saranyan: We have spent close to around INR100 crores in the last six quarters, to eight quarters.

Archit Shah: Okay. So, still INR150 crores still left to be spent.

R. Saranyan: Yes.

Archit Shah: But margins and long-term, last time you mentioned you want to upend the investment to 13%. So that remains or maybe we are looking at current margins, maybe or still this long-term strategy is applicable, okay?

Venkatesh V: See, so at this point of time, we do not want to sort of give any further guidance on that, given the volatility of the cost pricing at this point of time. On a steady state, we do believe that the business potential is around 13%-14% EBITDA. We maintain that stand. But currently, given the volatility what is happening around in terms of the costing, we would want to be a little more cautious on any guidance at this point of time.

Archit Shah: One more question on Horwood. What about Horwood in terms of economy in London and in UK, and is that seasonality, is it looking better over there in terms of margins?

Venkatesh V: Horwood.

R. Saranyan: Okay, Horwood, I think they have, on the top line, they have done well, but because of the geopolitical issues and the economy in UK and Europe, the cost has substantially gone up. That is the reason their bottom line has been almost close to the breakeven level. We expect the top line to grow steady. But we have to wait and see how things happening in the UK market.

Archit Shah: Okay. Sure. Actually, last time you all just…

Moderator: Sorry to interrupt you, sir. Your audio is not clear.

Venkatesh V: Your audio is not clear.

Archit Shah: Okay. Hello?

R. Saranyan: Not yet. It is still breaking.

Archit Shah: Okay. I will just bring in the lines, sir.

R. Saranyan: Yes.

Moderator: The next follow-up question is from the line of Lakshminarayanan from Tunga Investments. Please go ahead.

Lakshminarayanan: Yes, thank you again. Sir, I just was looking at the cash flows. I understand that there has been an increase in the inventories, when compared to last year, and in spite, I mean, we have grown pretty well across. However, the inventories have also increased. Therefore, it is straining the cash flows. Can you just explain that, whether it is more because of the festive season that there has been an increase in the inventories, or is it any other reason?

Venkatesh V: No, this is purely on the basis of our anticipation of demand, and a lot of internal work that we are doing around improving our manufacturing systems. So, the inventory that we built up is in anticipation of one demand, and we do believe that that will sort of, over the period of time, get negated.

Also, in the last two quarters, we have been significantly able to cater to the substantial growth that has happened only because of the inventory buildup that we have done in the past. So, I think the current inventory buildup needs to be seen from a perspective of sales opportunity. And as and when we see that that probably needs to get corrected, we will sort of slow it down. So, that comfort is there with us today.

K. Shankaran: Actually, number of days inventory is not increased.

Venkatesh V: The number of days inventory is not increased. Absolute value is increased given the current context of the growth that has happened.

Lakshminarayanan: Got it. Okay. Thank you.

Moderator: Thank you. The next question is from the line of Sameer from IIFL Capital. Please go ahead.

Sameer: Hi. Good afternoon, everyone. This is Sameer from IIFL. I joined a little late, so please pardon me if the questions have already been asked and answered. But just a more theoretical question. We are seeing good numbers in terms of growth being reported by most of the consumer durable players this quarter, and part of it is also driven by pricing, but even the volume growth trends have been healthy.

Now, in a situation where there is a macro pressure of inflation, how suddenly is the category seeing tailwinds? Is there a theory that inflation actually helps the organized players more versus unorganized who get disrupted? And there is a theory that organized players tend to gain market share. Is this playing out predominantly? Your thoughts will be greatly helpful?

Venkatesh V: Yes, I think there are two levers that probably are helping the demand at this point of time. One, like you had mentioned, there is a significant movement from unorganized players to organized players, partially because of the cost pressures that the smaller players probably are not able to withstand.

The second, I think at an overall level, the trend of growth that we've seen over the last few quarters very clearly is that there is a move towards branded players, not because of just the cost, but also in terms of the modernization of kitchens that's happening today. A large macro factor that probably is helping is the modernization of kitchens today, and that is helping the category. Short-term cost pressures are definitely putting more pressure on the unorganized segment.

Given the gap that comes between branded players and unbranded players, the branded growth would definitely be high. I think that's one trend that we do believe is playing out in the market at this point of time. The second opportunity that consistently continues to be played is the premiumization of kitchens and therefore associated categories.

Some of our categories seem to be falling in that space at this point of time. They seem to have a relevant share of the wallet as well. That's helping us during this festive season as well. So, these are two macro factors that I would say which is helping the growth.

They probably would also be the reason why the growth can be reasonably sustained. While it may not be as dramatic at what it is at this point of time, I think it is reasonable to believe that there will be a sustainable level of growth for the industry.

Sameer: Got it, sir. One more question if I may squeeze in. Basically, just wanted to understand the RM cost pressure right now. So, you would have already covered in the past quarter, but commodities have still inflated. So, what is the kind of inflation we are looking at right now?

Do we still plan to take more pricing interventions in the near future? Just on that. If 2Q typically is all high-priced inventory coming into the P&L, or we were still having some benefit of older, lower-priced inventory?

R. Saranyan: See, the pressure is continued to be there. Even today, the prices are much higher than what it used to be in the Q4 of last year or the Q1 of this year. We still have that pressure. It will continue to be there. The way in which it looks like it will continue to be there. As I was mentioning in the beginning, we were not able.

It will be very difficult for us to recover this through the price increase in the market. We have to wait and see. We have already taken all the benefits of the old inventories. I think from now on, I think the stress will start coming into the gross margin.

Sameer: This is helpful, sir. Thanks a lot, and wish you all a very happy Diwali.

Venkatesh V: Thank you. Wish you all the same.

Moderator: The next question comes from the line of Mustafa Khedwala from Cube Investments. Please go ahead.

Mustafa Khedwala: Good evening, sir. Thank you for the opportunity. Sir, you mentioned that we have some very strong traction in the triply segment. Sir, the triply circles, do we make them in-house or we source them domestically or we import them, sir?

Venkatesh V: Triply circle is imported.

Mustafa Khedwala: From China?

Venkatesh V: There is no domestic production of triply circles at this point of time.

Mustafa Khedwala: Do we do it from China, sir?

Venkatesh V: China is one of the sources, yes. China is one of the dominant sources.

Mustafa Khedwala: All right. Sir, you mentioned, sir, that there is a lot of traction also in the premium range that we are experiencing. Sir, some few quarters ago, we also had plans to launch a new premium brand. What is the update on that, sir? Have we done anything or that is in the back burner?

Venkatesh V: No, not at this point of time. I don't think we mentioned about a premium brand per se. We have two brands with us, which is Judge and Prestige. We continue to stay focused on both of them, and both brands continue to have a robust growth at this point of time. The premium space opportunity is an opportunity that we will evaluate at the right time.

Mustafa Khedwala: Okay. And sir, Judge brand is growing disproportionately. So, what percentage of that growth, sir, is coming from cannibalization of our lower-end mass premium products?

Venkatesh V: Judge and Prestige, by way of portfolio and by way of the market that we have done, the cannibalization is minimal. We've consciously kept the two separate, and places where we believe that there might be cannibalization, we've not played Judge. So, Judge growth is purely on the basis of Judge addressing a different target segment that Prestige as a brand does not address at this point of time.

And it is on the lower end of the mass market, while Prestige continues to get upgraded towards the upper end of the market. So I think the two brands don't cannibalize each other at this point of time.

Mustafa Khedwala: And the margin would be similar even in the Judge brand as much as we get in our Prestige?

Venkatesh V: No, structurally, Judge would be slightly lower than Prestige. That's the nature of the portfolio and also the type of target segments that we address. I think from a structural perspective, we are clear that Judge and Prestige at this point of time, Judge would have a slightly lower margin profile.

Mustafa Khedwala: Sir, would you be able to quantify like 10%, 20%, 30% lower margins there as compared to…

Venkatesh V: Not in this call probably.

Venkatesh V: Probably wouldn't want to do it at this point of time.

Mustafa Khedwala: Fair enough. Thank you, sir. All the best.

Venkatesh V: Thank you.

Moderator: The next question comes from the line of Lakshminarayanan from Tunga Investments. Please go ahead.

Lakshminarayanan: Yes, thanks again. You mentioned that there are some SKUs you actually introduced, and there are some pictures of some SKUs in the presentation. Is it the same one, or which are the ones you have introduced?

R. Saranyan: Some of them, sorry, the one what we had shown in the investor presentation is what got launched during this quarter. Normally when I say new launch or new SKUs from which we are getting the sales, we will say the last one year what we had launched. That's where we track as a new SKU growth. We continue to introduce SKUs as we move forward as well. That's a regular routine process.

Lakshminarayanan: Okay. In terms of product design, what have you done in the last, after this transformation exercise? How you have improved the design initiation process or the team or how you have done? Can you just elaborate if possible?

Shankaran: Please await the new launches. They are going into the next phase of launches. When they come out in the market, you will see them.

Lakshminarayanan: What is the mix of outsourcing we do on the appliances, and also what has been the saliency of induction cooktops in the first half?

Venkatesh V: Our appliance business is outsourced, but with very exclusive partners. In-house manufacturing, almost 90% of our kitchenware business is in-house. As a business construct, our appliance business is outsourced, and that continues to be what it has been in the past as well. That is from the outsourcing versus insourcing perspective.

K. Shankaran : Induction continues to grow pretty well.

Venkatesh V: Induction continues to be robust demand. The growth of induction has been aggressive as it has been in the last few quarters.

Lakshminarayanan: Is it grown much ahead of the entire company growth, any number? Because somehow, I did not see it in the presentation.

R. Saranyan: We do not share that number, the specific one, but yes, it has grown higher than the company growth.

Lakshminarayanan: Okay. Do you see that buoyancy still there, or is it a little bit behind?

Venkatesh V: From an induction category perspective, the way I look at it is, I think the induction category has got a fillip that probably would sustain this growth. I think the category has got a substantial intervention by way of some of the consumer initiatives that we have done, and also the macroeconomic change that is happened right now.

The category, which was probably in low teen growths, would probably continue to be in high teen growth in our view in a stabilized state. It may not be at a 100% growth or 150% growth as it would have been reported in the past, but it definitely is going to be a high teen sort of number that I would look at from a growth perspective in the coming quarters as well. Induction will continue to be a growth category for us.

Lakshminarayanan: Got it. A couple of quarters back, we talked about heightened competitive intensity. I mean, of course, it will always be there, but just want to understand how the scenario is now. Has it been benign, or is it even, in the last six months, it has become even worse? Can you throw light on competition? Where do you see, if at all, is it more entrenched in certain regions or certain tier cities or certain SKUs? How are you seeing it?

Venkatesh V: No, the competition, I think, primarily is coming in from the advantages that e-commerce probably is giving to new players. The competitive construct, I would say, is largely intensive in cookware, and it is being driven by e-commerce-based or digital-based brands. We do not see the impact of that from our growth construct perspective at this point of time, given the omnichannel presence that we have and the distribution expansion that we have in our physical distribution as well. Some of these players are, of course, I would see it in both ways.

If good money is coming into the category, it only proves that the category is attractive enough to be driven, and I think we believe the category is attractive enough from a growth perspective.

The new players are bringing in new ideas, which I think is good for the industry. But from an overall perspective, I would say that the impact of the new players is yet to be seen. That I would say, and it is largely being driven by the e-com digital platforms. I would say it that way.

Lakshminarayanan: And if you just look at various channels, which channels have actually grown ahead of company growth, and which channels have actually grown below the company growth?

Venkatesh V: Yes. At large, I would say it has been a growth evenly distributed across all channels. I do not want to get into very specific channel data at this point of time in this call. But from a directional perspective, we have grown substantial across all the channels. There is no one channel that sort of got left out, and that, I think, is one thing that I would probably believe that it is due to our internal efforts that we have run in the last few years, and being able to substantially grow across all the channels.

Lakshminarayanan: Got it. Thank you.

Moderator: Thank you. The next question comes from the line of Mustafa Khedawala from Cube Investments. Please go ahead.

Mustafa Khedwala: Thank you for the follow-up, sir. Sir, enamel range cookware has really exploded as a category. Sir, do we have any plans of entering this segment?

Venkatesh V: We have, and we have launched a few SKUs. We are in the process of expanding that product category as well. We would lead, in cookware, we would lead most of the category innovations as we see it today.

And wherever we do see relevant ideas that need to be sort of expanded and distributed well, we do that. Enamel is something that we picked up, and we have already launched a few range, and we continue to launch that for product category as well.

Mustafa Khedwala: How big a market size do you believe, sir, this enamel could be in India?

Venkatesh V: See, these are very early times. Our belief is that customer finally makes the choice. I think whatever options are there, we present to the customer, and a few options like triply have seen really substantial growth. Some of the other categories like ceramic, enamel, they are all at an early stage of adoption. We will continue to stay invested in them, and as we see pickup, our expansions will also happen.

I would tend to believe that in cookware in particular, it is time to experiment with a lot more of material-based innovations and design-based innovations. Leave it to the consumer to choose and upscale. And in a country like India, I think the scale is large enough to make a dent in terms of category size. We would believe that all categories in cookware need to be looked at and probably experimented with. Enamel is one of them. Ceramic is definitely one of them.

Mustafa Khedwala: Sir, what would be the contribution of sales that is coming in from products launched five years ago? Is this a metric we track or we have data on?

Venkatesh V: We do have data, and we do track that. Like we said, a larger focus is on the new products, and therefore the growth. Having said that, in an industry like this, there are anchor products that need to be sold as well. So, from our perspective, it's an equal mix of both anchor products and new products. Specific numbers I wouldn't want to call out at this point of time.

Mustafa Khedwala: Sir, ballpark range, is it more than teens or, I mean, that much you can tell?

Venkatesh V: No, I think this call would not be the appropriate place to sort of divulge such data.

Mustafa Khedwala: Fair enough, sir. Thank you.

Moderator: Ladies and gentlemen, we will take this as the last question for today. I now hand over to management for closing comments. Over to you, sir.

Venkatesh V: Thank you all for a very engaged conversation and a good interaction that we've had. We continue to place our confidence in terms of the overall category attractiveness and also our company performance as well, and we hope to sustain this as we move forward. Very happy festive season ahead, and happy Diwali to everybody.

Moderator: Thank you. On behalf of TTK Prestige Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.