

# **TTK PRESTIGE LIMITED**

**“TTK Prestige Limited 4Q FY 22 Earnings Conference Call  
hosted by Motilal Oswal Financial Services Limited”**

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**Management:       Mr. K Shankaran – Wholetime Director & Secretary**  
**Mr. R Saranyan – Chief Financial Officer**

**TTK Prestige:**

**Very good morning. Welcome to all.**

We had a mixed year last year going through lot of difficulties, but we also came out very well. We had grown on the top line close to around 24.5% and on the EBITDA, we did well achieving Rs 441 crores against the Rs 342 crores of last year. Close at 17.42% on EBITDA margin versus 16.8% the previous year. Exports also did well; from 70 crores, we moved up to 98 crores this year.

Of course, we went through difficult times with respect to the pricing, the commodity pricing was hitting the roof, the fuel prices, of course it further went up in the last quarter when we had the geopolitical situation. But we were able to manage through some price increase, which was around 6 to 7% on the in the cooker / cookware and around 8 to 10% in our appliances and did some improvement in the efficiency in both the production and other operation levels.

During the year, we also acquired around 40.8% in the company M/s Ultrafresh Modular Solution who are into kitchens and wardrobes; we acquired that in the last quarter.

So that's where we stand. Our UK business is doing well. They did close to around GBP 18 million on the top line with around 16% growth versus last year with around GBP 2 million on the EBITDA with around 25% growth over last year.

Of course, going forward, I think it's going to be pretty tough because with the inflation hitting the roof and with the avenues of spending is also more for the consumer now as hospitality, which was not working for almost first half of the last year, that has opened up. So the disposable income in the hands of the consumer is going to be pretty tight. But we are hoping with our product innovations.

With our presence and across all channels, we will be able to manage that.

We are now open for questions

**Analyst:**

This quarter and the year has been very strong for pressure cooker; I think we had to mid teen. What drove this actually I mean we have never seen this kind of growth in the recent past.

**TTK Prestige:**

Two things I think. One is the overall the kitchen where there is a lot of people were spending money because they were most of the period were working from home or the hybrid mode. So people are redoing their kitchen. Whatever we had in the FY 21 I think a portion of it was also happening and in FY 22 as well. But we also came out with a lot of innovative products like svachh pressure cookers and then we had a launched also svachh Gas stove during this year, which is all doing well in the market. So people are looking for a lot of good value added products. They're also seeing the improvement in the value added products than on the base level products, which is also helping us on the better margin. So these are some of the things which is helping us,

**Analyst:**

But for a mature category with high penetration like pressure cookers, right, mid-teens growth is something in volume, specially in value group is higher. So what is it? Is it the premium category Cookers, which is driving the sales there, what is it the entry level are doing better. What which category is doing better and what is the key reason for this? I mean probably even one year back we didn't have this kind of for growth rate.

**TTK Prestige:**

You look at post COVID. It actually drew the consumption for pressure cookers at home. They wanted branded pressure cookers, which is safe and then easy to maintain, and services are available. So that drove FY 21, In FY21-22 we launched the svachh pressure cookers at the fag end of 21 That gave us a real headroom for taking share from competition, so the industry itself might not have grown. We have grown. The svachh cooker replaced many of the old cookers at home. That's also another reason. The next one is that we were dull in rural market for whatever reason just before pre COVID and during COVID also large larger part of last year also rural was not coming through.

Now, rural direct sales has come through right through this year, almost nine months. We were able to get it. So there are large volumes of pressure cookers went they're also one of the factor. These are the basic factors and then largely value added got sold, not entry level cookers.

**Analyst:**

So, what would be the increase? So you said we have outgrown the industry. Any idea what would be the industry growth rate?

**TTK Prestige:**

I don't have because I I don't think in the industry group by more than single digit.

**Analyst:**

I'm going forward is very like, as he said, very mature penetrated category, low replacement like with the replacement period is fairly high and the unorganized segment is also quite small around 20 odd percent. So like what is your growth rates in terms of how are you targeting, is it high single digits?

**TTK Prestige:**

See in terms of volume it is high single digits. Because I still see while the urban market is by and large penetrated, non-urban market is not fully penetrated. So there is a lot of scope in those areas.

**Analyst:**

Do you have any numbers on these?

**TTK Prestige:**

If you look at the population outside the urban center, consumable population, who have got some income, we'll have to get the number right, only 20- 30% of them have got pressure cookers. Balance have to get pressure cookers and with the electricity reaching every other place and gas reaching every other place it will certainly have demand for pressure cookers as well as induction cooktops in those areas as well as gas stoves. So if we take India as a whole, we do believe that India, which has not been consuming, is going to consume. India, which has been consuming it, will look for newer products and innovations where they find, you know, uh, compel to replace something because they find something new. Though we're not a mobile company, we are trying to get something better and newer every year as compared to competition. That's why actually in pressure cookers, if you look at, we were the single largest innovator, I would not say only. Because we are making something different in pressure cookers. like it is Handi shaped or color cookers, then induction based, we are first bring in this one, then Svachh platform, clip on, etc. Some of the things are in the pipeline that will come in so that this will aid our replacement market faster. And we run a replacement exchange campaign also during May, June, July. These are the basic factors which are very difficult for me to put into a database at this point in time.

So these data is not available India to the extent that we have got our own inhouse method of extrapolating something with excel sheet something with our gut and trying to create capacities for that. And beyond that, if you want me to scientific explanation, I don't have.

**Analyst:**

In the rural side how would this penetration be?

**TTK Prestige:**

If we take this census data, the pressure cooker penetration is around 20-23%,

**Analyst:**

This is for urban usage, right?

**TTK Prestige:**

20 to 23% in case of rural; and 90% plus in urban areas  
It is based on earlier census data. We have to get the new census data.

**Analyst:**

But we are present in the main premium side. So we do you think we would be able to drive penetration because I think last bit of unorganized would actually get the share in terms of the penetration

**TTK Prestige:**

In the rural market want brands. To the extent we have dealt with them they want brands. We have Judge brand; but they want only Prestige. But they may go for an entry level product. They may not go for a high end product.

**Analyst:**

So how about your distribution would have evolved over the last couple of years in rural areas. Or perse overall, how it would have evolved and more specifically in rural talking about rural India basis rural?

**TTK Prestige:**

You are talking about the rural. In rural there is no organized distribution available to you. It is very expensive for you to go and set-up the distribution there. You have to collect money and then you need to know the inventory volumes and the consumption centers are far away from distribution centers. But there is a demand because online taught us that when addressed in the area, they do purchase something, a pressure cooker or a gas stove. That means there is potential.

Ever since 2012 / 13 / 14 there has been direct benefit transfer and the money is being given into the accounts directly. It has created certain amount of consumption among women in the rural areas. And microfinance also started looking at those places. So basically, they're aggregators who tried to come, you know, go to a couple of 100s rural homes look at what they want in their kitchen so that they get a microfinance business through another. They aggregate the demand and microfinance funds them, we get the order from the aggregator and we supply and it goes there. This is the whole model.

Even though it's a predominantly the one model that goes through, we're trying our best to set up alternate distribution system also. Because once those markets evolve, they have a physical stores, it could be a general trade store who may deal multiple brands or could even be our own prestige exclusive stores, on a smaller size only start stocking items which are needed for them. I've got some several SKUs and make available around 30 SKUs what requires in a rural area. These are evolving things. As you said. It is the evolving. The whole thing is that the online really taught us that the demand comes from across India.

**Analyst:**

So supply chain for online in terms of the rural, so the penetration in the rural is also because of apart from the gas stove and electricity apart from the distribution also that is what I think. So even if the demand comes how we are doing to fulfill that demand from the online also means hardware house or supply chain.

**TTK Prestige:**

When online demand comes online players supply themselves. That means I deliver it to him and he re-supplies or I have to supply. There are no two ways about it. We've got dedicated almost four centers across India. 2 in south and 2 in non-south from which it goes to all mail addresses. And we have about 23+ branches and about 23+ smaller warehouses across India. What we are also doing is we are trying to tie up our exclusive stores with our online website so that I think we will be able to, whenever we get an order on our website, we were able to route those orders through our exclusive stores so that the customer will be able to get those products in a shorter duration of time. Otherwise, it may take a couple of days to reach them. I think now it will be able to reach them in hours. the same day, so that is another thing we are working on right now. We are already on a trial in few markets. So it'll go all India, once we stabilize on that. So this will ensure that customer is able to get his product the same day he wants.

**Analyst:**

Question is since urban is 80-90% penetrated and we will see only the replacement there. Whatever we can see from unorganized to organized or branded more we can get this only in Rural as urban is largely penetrated. So if we don't increase the touch point in the rural areas in the entire. then you know the kind of penetration we talk we will talk after five years also.

**TTK Prestige:**

You are right. I'm not arguing with you on that point. What I'm trying to say is that any geography has to be matured for guaranteed distribution. If it is spread across the place, they only wait to do is that get an aggregator. Then send to the aggregator from your factory. As a company, we have got 23+ warehouses across India in most branches. We can supply them. We have around 600 stockiest. It can go up to 700 during the year. If you look at we have presence in Tier 3 town also. From there rural market will not be more than 50 kilometers, 60 kilometers. We should be able to supply them. It's evolving. I cannot create a distribution system in rural area for a product as they are expensive. I need to find a person who can do this? This depends on the aggregator. For example, if aggregator believes why to take this trouble and hence decide to stock the goods and he might get more margin. So it's a question of we be in touch through the aggregator and see when he sees the value as a distribution point.

Innovation is also increasingly reaching the people; it is not just in product. So if we were able to put our brand as a brand for rural households because we can supply a basket of products they need there.

A brand is there, service is there, and they have seen the well known brand ambassadors and they were able to associate this with the whole thing. They're willing to go for that brand. Once that is

created, a pull is created. How to deliver it, how efficient to deliver it, how cost effective, it's a matter of time and an evolution. Basically, you know, we are not just happy with only reaching through. We have to find other ways. May be the infrastructure being put on roads and other places, naturally there'll be some evolution. Today people are going to town and purchasing them.

**Analyst:**

So what would be the contribution from Rural?

**TTK Prestige:**

It's around 3 to 4%,

**Analyst:**

If you can give the breakup of the different channels, so for just three to 4%, you're talking in volume terms,

**TTK Prestige:**

We're talking on, everything is on the value,

**Analyst:**

Even the growth which you mentioned was,

**TTK Prestige:**

Yes, all value.

**TTK Prestige:**

Because the volume are very difficult for you to say because there are lot of SKUs. In pressure cookers itself we have lot of SKUs and in cookers we have got low priced ones, high priced ones,

**Analyst:**

But then if you look at the price inflation then it will be kind of flattish or lower volumes right this year,

**TTK Prestige:**

Wherever we have grown, we have done more volume

**Analyst:**

You have grown?

**TTK Prestige:**

Yes. If you were 26% growth in pressure cooker, about 15 percent in volume, 7% in value.

**Analyst:**

But increasingly, we're looking at growing in the total markets. Are we going to have to introduce more products at lower price points and that?

**TTK Prestige:**

No, you see the rural They are their brand conscious, they don't mind paying a price for the brand. But it depends on money availability , they may need only for entry level products. We are not dealing any specific product .

We have another brand called Judge. We got slightly different specification without affecting the quality durability of the whole product. that is for people who want to look at prices.

**Analyst:**

And what about the new products? What is the kind of aspiration we have over there?

**TTK Prestige:**

See, we got a basket of products for each category, correct? That's evolution. We always run pipeline that we would launch for the next couple of years.

**Analyst:**

Till now Butterfly was more of a smooth player. Now with Crompton's Distribution leveraging on that they will attack on all your markets where he was not previously present. So what is our counter strategy for them?

**TTK Prestige:**

We cannot counter until we know that the other side have in place going forward. Whether they have got a nuclear bomb or ordinary bomb we don't know. But ultimately, when a national player with good trade practices enter the all India market, it benefits the industry. If the industry benefits I may also get more share from same industry growth. The more the industry gets organized, bigger will be the market and good for the industry. I don't consider anybody as a threat. I consider everybody as a trigger. We have a very healthy view about the market as such.

In 1980s, where 80% of pressure cooker market I sold 20 crores. Today we have 35% of the pressure cooker market but I sell more cookers. I prefer this.

**Analyst:**

But in anticipation, are you increasing or expand, or even more on marketing?

**TTK Prestige:**

Not necessarily. My brand is well known. I don't have to oversell my brand by introducing more spend. We have a standard practice of about 6%. I'll continue to spend that. I'll direct it in such a way as needed. Unless you've got a product strategy innovation strategy, continued innovation continued offering continued differentiation so that you are ahead of the competition in terms of what you offer.

**Analyst:**

It's already 90%, so there is the other guy comes with the pricing strategy. He can dislocate you, right.

**TTK Prestige:**

How can we speculate. They have invested so much money. Do you think they're going to lose money. If he does that we may appropriately counter that. We have been The Pioneers in pressure cooker. If you take pressure cooker as from 1948, before Prestige was born. We have seen as many competitions as you talk about big, small. Because competition has grown. Ultimately you got your strategy right,

keep your eyes and ears are open and we have to take it on. In our opinion competition grows market. Better the competitor better for us

**Analyst:**

You mentioned that you are growing faster in the industry for what time period were you mentioning that? The main competitor in the last years has been gaining market share for the last three to five years. So what are we doing

**TTK Prestige:**

The whole thing is that nobody knows what is the total market? Yeah right. If I have grown in online, I might have lost in offline. And vice versa. I think that answers your question. Nobody has got a reliable full market data today,

Analyst

but if we do the like to like comparison

**TTK Prestige:**

Do you have the data of the all the unorganized players?

**Analyst:**

No. Just comparing you and Hawkins.

**TTK Prestige:**

What is the right way looking at it is if you look at the cookers growth for you and if you look at Hawkins top line growth, Hawkins over a period of time has been growing at a faster pace. There can be periods where we have grown at faster pace. I was nobody in the inner lid. I grew so fast between 2007 and 2013 in inner lid then that base is increased. Somebody lost in that base. I always believe that the gap can be narrowed. The gap can be wider. Our idea would be to keep the distance as wide as possible. I cannot prevent somebody from competing with me.

As far as I'm concerned. There are two kinds of objectives the company runs with. People are invested in my company. I must give them a decent return. I should have self-sustainable growth beyond inflation, this is one thing. There's a competition. Who have similar parameters of satisfying their consumers. They may have started a lower base. I have started higher base. There are times where I'll be looking like static because my base is very high. Their base is very low, they have got it and strategically somebody wants to enter an online format or an offline big format at a price. Point I don't want to play that. If you look at the similar period. In August 21, we had to charge up supplying trade. Our supplying online as well as offline, which just started opening up. I don't want to be the rat race at that price point. I will not make money if somebody enters let it be there. Will it? We will be able to sustain. Now we have not disappointed any offline customer. At the same time, we did not fall into the trap of offering something at a cheaper price to a online market. Now if you compare that period, somebody who are never an online. He went into online. I didn't want to play there. He lost in offline. I supplied offline. None of us have got the reliable data. What is my online sales offline sale two years earlier? Nobody has got the data. We're going to aggregation. There's a 12 month point. There is an artificial cutoff data every quarter, every month we cannot run that race. We take an overall a long term period where we can go to. It's quite possible sometime competition might take an extra step than I have taken, largely on price points.



**Analyst:**

Sir do we believe in having the same margins in the online and the offline channels to keep the margins constant

**TTK Prestige:**

at EBITA level plus or minus 1% will be that difference at gross margin level there may be variations.

**Analyst:**

And what would be our share in the CSD channel?

**TTK Prestige:**

Very difficult to say. Take the pressure cooker segment. I don't have the share with me. But I have a decent place there. Certainly I may not be a market leader there.

**Analyst:**

Just wanted to understand this contribution of stainless steel and aluminum and other margin similar and

**TTK Prestige:**

At EBITA level they are all similar. At gross margin level depending on the product cost, it may vary here and there and stainless steel is about 25% of the company, aluminium 75% in terms of raw material.

**Analyst:**

And how's it growing like what was 25% before like 3-4 years,

**TTK Prestige:**

It was some less than 10% for five years

**Analyst:**

Aluminium as a percentage of sales will be how much 75% aluminium cost, which is what they're doing.

**TTK Prestige:**

You can wait for some time. I don't have data right now. Our published balance sheet, it will reach you this month end. Then we're given how much volume in terms of a consumed in aluminium

**Analyst:**

But the price increase was very high last year. Most you have passed on, so you have got gross margin has remained same and a lot of other players have not been able to do that.

**TTK Prestige:**

We are the first to take pricing and others followed little later. So then there is a lag in they took the increase

**Analyst:**

In that context. I wanted to understand you have again increased prices in Q1 FY23. When you took price increase of 6% and then you still have commented that, I mean you will face some margin pressure in the first half of FY23. So I just want to know is there still some under recovery to be taken? In the past I mean in FY22 we have seen that you passed on the prices as and when you saw pricing and you were able to maintain margins. So I just wanted to understand why in the Q4 call you say that margin pressures are well,

**TTK Prestige:**

See, we have a policy hedging through inventory. When the prices we believe are correct and this time it will go very quickly. If you look at, we increased our raw material inventory in the last six months. They came at a lower price. That have been used in the fourth quarter. My Lower cost inventory as of closing of March is lower than what it should have. This one is only for April. I'm buying something fresh stock.

We had enough money. That's we put it in bank or do you put it inventory? I would rather put inventory to hedge the price increase.

Isn't that not amount speculative that we expect the price to go up further and therefore we stopped it now. There's as of now, what we see is that standard cost we assume for the current year we are able to maintain ourselves. So for the whole year

**Analyst:**

Taking this argument of yours forward, right the way you are putting cash into inventory, I'm sure the channel would have done the same thing, right?

**TTK Prestige:**

So the channels they don't buy like this, they don't stock.

**Analyst:**

but if the price is expected to go up right channel would also tend to buy a little bit more. So if I'm take carrying ten days everything like I'll say

**TTK Prestige:**

you are right theoretically, if there is only one TTK and one channel, there are several like TTK, there are several channels and each has got their own working capital issue. They've got their own norms they won't rush into it like this is not a commodity, it's the branded product.

**Analyst:**

So would it fair to say that the primary and secondary sales should have tracked in terms of, yeah.

**TTK Prestige:**

But it's roughly. Even the finished goods inventory outside in the books, it's not very big. Otherwise you would not have collected the monies.

**Analyst**

currently how much is the exclusive brand outlet; can you give the breakup of the different channels

**TTK Prestige:**

It will be like traditional which is our distributor dealer, roughly around 45-50%, our exclusive will be around 15%. Online will be roughly around 18. The modern formats around 12% The rural will be around 3 to 4% and then our government sale will be around 3-5%

**Analyst:**

but the existing rate on Ecom would be lower right at around 15%. I think it is higher because initial part of the year, ecom was very high.

**Saranayan:**

That's why we said now it is maintained at around 18, it's still at 18 around it went up to 24 at some point . It's only in the first half I think we have seen jump with the Online. In January more from online , when it became partial lockdown here and there. This comparison with any period to any period, is becoming very difficult because there is no base which is constant for us to make comparison take one more year, one more year. When there's a demand we are fulfilling it whichever channel takes the product.

**TTK Prestige:**

Can you offer some comments on your appliances business last year with the growth was significantly slower than other categories. What's been the competing

**TTK Prestige:**

In appliances we have grown and gas stoves quite nicely. We're grown induction cooktop quite nicely, mixer Grinder, little less.

Analyst

OK, so how many of these products are localized over and how many are imported?

**TTK Prestige:**

Nothing is imported hardly less than 5% is imported.

**Analyst**

The number that you mentioned were for full year, right?

**Saranayan**

Yeah, that's full year.

No, I'm saying Q4 because we'll also have some impact on the lockdown in the preceding year also

**TTK Prestige:**

Correct.

**Analyst:**

So there was a data which was there in April or May this year or last year, but there was a larger lockdown in the similar period last year.

**TTK Prestige:**

You're talking about which quarter,

**Analyst:**

Fourth quarter?

**TTK Prestige:**

This year there was an impact. In January itself little impact only. But otherwise, the growth in let's say Feb and March.

And in terms of exports, you know we did about, you know, for the full year basis we talked about 98 crores.

**Analyst:**

Export has been about just 5% of our revenue for quite some time. Any product which can click there and can it be a meaningful number going forward.

**Shankaran**

See the ratio, and the total turnover it's a matter of mathematics. I maximize my exports irrespective of my company's level of turnover based on our current capacity which we have built based on the product pipeline in place

Outside India, we are largely OE suppliers, the way they have been dealing with this and then given that their business plan for the next couple of years, we believe we can reach 400 to 500 crores in 2025-26.

**Analyst**

Look at what 10% itself. Just 400 to 500 exports 5X and five years is that. Actually can't be, because if domestic is going from let's say in value terms single digit uh, it should be slightly higher percentage in terms of it.

**TTK Prestige:**

So you can make your calculation then do the percentages...it is an excel sheet work. What I'm saying is this, these questions trap me in excel sheet. I would like to look at this business as a separate child. I want it to be the best child in the room. The people whom we are dealing with, for example the three customers, 4 customers, will be given X amount of business last year they want to increase their share of business from India, from us. Within India we believe we have got a large capacity and we comply with all the environmental gradients which European countries dictate. We have complained with, they say, SA8000 fully. Therefore, in terms of governance, our factories are satisfied in terms of the ability to protect their IPR. They trust us. Because being large company we will not do something wrong with their IPR and trying to sell it to other country or something. So, these are things which largely you know go by that this is a supplier, reliable supplier has got a good capacity, a good workmanship. He will not infringe my design, he will supply me. The way they indicate their business

plan, we do believe that we should be able to do our current supplies to existing players and add another couple of other players going forward.

**Analyst:**

But would the margins be similar compared to the domestic business?

**TTK Prestige:**

RoC margin looking at 40% for the company including this see because if you look at only a big margin business I'll lose the 40%

**Analyst:**

On the mixer grinder business...also the geographical salience of some of these products. For example, I believe mixer grinders. My assumption is that it could be more South focused and would they? Would there be right or so?

**TTK Prestige:**

See, we say the mixer grinder comes in an assortment of configuration;

**Analyst**

So should I say by and large it is largely focused on South or South India because of the configuration problem

**TTK Prestige:**

We were nobody in mixer grinder when we entered 10-15 years back. From there some 0.5% we have come to 8%, now we are at No.3. Right now. It's an area where there's a gap at the entry level as well as at the premium level product which we are addressing at this point of time. We are hoping to get to number 2 level in the next two years. Preeti is number 1, Preeti Bajaj between them take number one and two Phillips is number 3, we are at number 3 similar in terms of value according to whatever data we are able to connect this.

**Analyst:**

Sorry just so this mixer grinder is specific to the southern market like. I hope you are getting what I'm trying to say that there is a slightly different mixer grinder you make that is used in South India and what have you use then say in the rest of the country. So we supplied both categories

**Shankaran:**

We supply both

**Analyst**

What would be our market share or ranking be in that the non-South market.

**Shankaran:**

We are quite strong in Karnataka, Andhra and Telangana

**Analyst:**

No thoughts of getting into wet grinder

**TTK Prestige:**

we have, we have, we have the only first timer based wet grinder which we launched. We are not still advertised it very heavily, would like to see how it works in the market and then work.

**Analyst:**

LG brand is the number.

**TTK Prestige:**

Ultra and butterfly both are there

**Analyst:**

At the company level, where we're obviously at peak margins right now, there is some inflation we are facing because we bought cost, we are expecting to go rule over the medium term. Where do we feel our margins will be sustained

**TTK Prestige:**

We have based our entire LRP at about 15% plus or minus 1 % if we get 17% well and good. And if we still happy for 14%. The idea is to still ensure the return on investment is quite good. So that manage our capital utilization too.

**Analyst:**

Modular kitchen. Any thoughts

**TTK Prestige:**

We have just made Investment in Ultrafresh and it didn't end there. They have a design capability, they can manufacture, they can also install. They've got the end to end infrastructure. They have got 80 stores in India which they want to increase in the next two years. It compliments each other. I'll be able to sell appliances through their outlet. They'll be able to sell kitchen through our outlets

**Analyst:**

How much you have invested in that.

**TTK Prestige:**

The total estimate, is around Rs 30 crores. We invested 20 crores till now, another 10 crores to invest during this year

**Analyst:**

So will you get what you have stated for 2025 a 5000 crore top line of which you say 1000 crores will be in organic. What could be the areas which could be the focus for this thousand crores in organic?

**TTK Prestige:**

Yeah, thousand crores. We already got UK, this is about 200 crores approximately about another 800 crores. We have not looking at existing cooker company. We're looking at some of the areas adjacencies which we are not there. It could be water heaters, it could be air coolers, it could be fan. We will get in inorganic opportunity where we have got certain USP in terms of innovations which whether you can do it on our own or we have to get some other partner to do it. It could be a small scale partner. So we'll try to increase them to get the products for us and then we invest in the technology and then manufacturing. There are certain view candidates we are talking to, but nothing is materializing, either valuation is very high or the governance is an issue where we cannot easily go.

**Analyst:**

Any product innovation that we will look, let's say, within the kitchen, outside the kitchen, for example, in kitchen, you also have water purifiers. You have cleaning solutions outside the kitchen, you have table ware

**TTK Prestige:**

tableware we are not there.

**Analyst:**

Any chance of new product introduction, any plans that's organically over next year

**TTK Prestige:**

Organically we are into pressure cookers, cookware, cleaning solutions, gas stoves, mixer, grinder induction induction cooktops and kettles also all these are existing categories. Organically you can grow them. It's not an issue at all. You're talking anything other than that. The whole idea is who is my customer? What is in his or her mind share and whether my brand will go in this requirement. Do you require another brand? So we believe the questions brand can be prestige supported Brand can extend into, you know, things like fans, things like water heater is kind of thing? I'm not talking about white Goods. These are the area broadly we have in mind when we have stated several times there are players in this brand which you looked at, some came close to the discussion level. But then COVID came in and everything got distracted. And people now able to get fund to do their own things. And then these are basically proprietors. No, they don't want to lose their identity even if they remain small. I'll remain small in Tamil Nadu, Karnataka or you need that place. They have a larger mission and then they believe that they can partner with the company like Prestige without losing their identity is what we have to do it so difficult to sell this kind of. It's really easy to form a joint venture with a overseas partner. It's very difficult to form a joint venture with the domestic partner because the ambitions of me and ambitions of him do not match.

**Analyst:**

What about water purifier or heaters or what are

**TTK Prestige:**

Water purifiers we have already we have on our own the investing technology we're investing in assembly through third parties that is we are on our own.

**Analyst:**

Have you started?

**TTK Prestige:**

Water purifiers we are already selling small portal As of now

**Analyst:**

We have mentioned that cleaning solution we want to be some 300 Crores

**TTK Prestige:**

We u still want to be at 300

**Analyst**

where are you on that

**TTK Prestige:**

As of now we are doing around 60 Crores. We are in game only in 2017 -18. We entered then covid came in we had a good run during COVID because of the vacuum cleaner being sold. That's kind of pent up demand was not in 21-22 year. Ofcourse we are still not all India, we are still have to extend the redistribution. We still have an ambition even at 60 core it is contributing with profits. So there's no worry about it.

**Analyst:**

these strategies are where like. RO / UV based right?

**TTK Prestige:**

We have only gravity based. We will be entering electrical at our earliest.

**Analyst:**

To just to understand see when we are saying that we can go in fan or a heater or anything. So anything on the any kitchen appliances don't you see that category large category anything size in the category where we want to enter into the size should be very high. So that you can grow after that would be more than 500-600 what would the size of the category where you want to enter in kitchen appliances?

**TTK Prestige:**

In kitchen all the goods. We are not going to do white goods.. We don't want to be refrigerated. We don't want to be in washing machines. Perfect. So in a way, we are moving out of the kitchen category to take it more time to spread your tentacles. When you say use the word moving out of kitchen, they probably giving wrong picture. So I want to be very careful when we address that. From kitchen to some other part of the home as of now toilet is not in, lighting is not in, not even tableware at this point in time.

**Analyst:**

what is cleaning solution that you provide.

**TTK Prestige:**

There are some 30-40 SKUs



**Analyst:**

so chimney will be part of which , as part of appliances. How is it doing?

**TTK Prestige:**

Reasonably, they're getting good growth, but we'll do better once you have got this modular kitchen project kicks so that because it goes with modular kitchens, chimneys,

**Analyst:**

but chimneys were importing, how are we doing

**TTK Prestige:**

locally making it

**TTK Prestige:**

What is the sales promotion percentage.

TTK Prestige 6% approximately of turnover is what we are building and going forward also.

**Analyst:**

At one point of time you were spending out 8%

**TTK Prestige:**

That was when the turnover was much less. We were talking about. So we have basically in a 2009-10 we have 27-28%. Once you got the turn of the going up, we're look at it as a policy, 6% is what we may take it as 1% or you want to 5% depending upon the need of the market at this point.

**TTK Prestige**

Which product you source whenever?

**TTK Prestige:**

We make all pressure cookers ourselves.

**Analyst:**

What do you source

**TTK Prestige:**

mostly appliances.

**Analyst:**

Alright.

**TTK Prestige:**

**Very few outside India. Very, very few. Around 5% will come from outside India less than 5%.**

**Analyst:**

You know, one of the players has been acquired by, you know, one of the largest and players do that distribution, you know, in places where we are also there, it doesn't compete like you know sort of head on with us. Would that make any difference to, you know,

**TTK Prestige:**

See if there's one brand acquiring another brand both I got their own distribution states or distribution gaps and they got products which they have to consolidate, see what they can do.

**Analyst:**

So what are the what you sold me now as a percentage of South & non-South India. How much would that be?

**Shankaran**

It's equally there it's it's 50:50. Around 50 largely divided equally.

**Analyst:**

The national players now occupy what shared in the kitchen appliances.

**TTK Prestige:**

It's a very large if you take pressure cookers. Prestige and Hawkins are two national players. Between them, they will have more than 50% percent.

**Analyst:**

Are you national player in cookware and national player in electric appliances

**TTK Prestige:**

Electric appliances. What product? Induction Cooktop, mixer grinder,

**Analyst:**

Whom we call national player ... preeti is in south

**TTK Prestige:**

Yes, the Phillips is somewhere, but Bajaj is All India. therefore.

**TTK Prestige:**

All these people put together Including prestige and butterfly, we may be 40% of the market

**Analyst**

Basically someone like bajaj would have 10-15% market share.

**TTK Prestige:**

I don't have the data with me and bajaj has been there for the last 60-70 years in the business

**Analyst**

In cookware,

TTK Prestige

In cookware, we are in high end cookware we have high end stainless Steel, then you've got hard anodized, but we don't have market separately for you have to group these three together. In terms of balance sheet, we have the largest value. And there is a lot of other unorganized players; it's very difficult for you to get this one and we should be having about 35% market share of organized market. In value value terms and this four categories put together. This is nonstick, nonstick, a valuated stainless steel anodized cookware. Because somebody sells silver plate by 25 gram, 30 grams 100 gram. Somebody says if you want to see the plate under 200 /300/ it is very difficult for you to estimate

**Analyst:**

in specifically electrical appliances in the last 3-4 years we have you seen all slightly weaker footing in terms of either regionally or a regional brand.

**TTK Prestige:**

I think everybody's fighting for this place in terms of price and quality and this one, I don't think I can underrate anybody at this point in time.

**Analyst:**

So the regional players like sumeet

**TTK Prestige:**

Sumeet is no more

**Analyst:**

So every time, every new home that are sold or being constructed tend to have an intention to add something may not completely.

**TTK Prestige:**

You know these are the, these are the drivers for your business here, any construction industry especially domestic grooms is very important. It is not that it's going to give demand today because if you look at the unsold houses and unoccupied houses, there is no demand for this one unless they are occupied. They wouldn't do that. But this is one of the drivers of demand.

**Analyst:**

whether it is replaced.

**TTK Prestige:**

replacement can arise for 2-3 reasons - one is that the family split; He buys a new cooker within the first year. He's not the first user. He built a new house, if separately wants something. That is one thing. Second, you want an additional cooker. People started using of 3 liters while they want to have 7 liter. Then you want to replace your cooker. With the new ones, all these three things give

your urban demand basically cannot contribute. But what I can say is on an average, the cooker is exchanged the five year old, you can every five years people change cookers, cookware can be less than five years. Appliances can be 5 to 7 years, other appliances.

**Analyst:**

Just to add on to this point where there is a huge market for this hobtop and the model kind of, yeah, built in hobtop. And even it comes with the chimney. So in that it's like faber and elicia and all these products are the market leader. So what is prestige thought to get into the consumers mindset even?

**TTK Prestige:**

Ultrafresh addresses that Recently, which is a model that you can accompany which gives end to end solutions which has got a complete marketing edge for us.

**Analyst:**

In fact prestige hobtops are better. But they are shott glass and they give lifetime warranty which is different.

Prestige also has chimney offerings.

**Analyst:**

Just on the thing on the cookware side, right. So on the cookware side anything new thing which we are doing, any new product, any SKu, we are increasing or any focus in terms of increasing the growth higher than the

**TTK Prestige:**

you see all in the next quarter

Right. OK. Thank you so much.

Thank you.

Thank you so much.

Stopped.