



STOVE KRAFT LIMITED

Transcript of 27th Annual General Meeting

Moderator: Shrinivas sir, good morning. This is your moderator. May I request you to start with the proceedings, please.

Mr. Shrinivas P Harapanahalli: Thank you, good morning. I welcome all the members, directors, and executives of Stovekraft Limited to the 27th Annual General Meeting of the company. This meeting is being held through video conference or other audiovisual means in accordance with the circulars issued by Ministry of Corporate Affairs and applicable provisions of SEBI Listing Obligations and Disclosure Requirement Regulation 2015. With the requisite quorum being present, I request our chairperson, Mrs. Shuba Rao Mayya, to commence the proceedings.

Mrs. Shuba Rao Mayya: Hi, welcome to the 27th Annual General Meeting of Stovekraft Limited. It's a pleasure to connect with all of you through virtual mode. I hope all of you are safe and in good health. The requisite quorum being present. I declare the meeting as properly constituted. I would like to now introduce all my colleagues on the board of the company.

Myself, Shuba Rao Mayya, I am the chairperson and chairperson of the board and the chairperson of the Stakeholders Relationship Committee.

Then we have Mr. Rajendra Gandhi. Yeah, he's the Managing Director.

Then we have Mr. Natarajan, who's the Independent Director and Chairperson of the Audit Committee.

Mr. Anup S Shah, Independent Director and Chairperson of the Nomination and Remuneration Committee.

We have Mr. Chandru Kalro, Non-Executive Vice Chairperson.



Ms. Neha Gandhi, Executive Director and Chairperson of the Corporate Social Responsibility Committee.

Ms. Sunitha Gandhi, Non-executive director.

Ms. Subhadeep Pal, Chief Financial Officer and Mr. Shrinivas P Harapanahalli Company Secretary, Mr. Mohan Dainival and Mr. Mohit statutory auditors and Mr. Pramod SM secretarial auditors are also present in the meeting. I request Mr. Shrinivas, Company Secretary, to take us further from here. Thank you.

Mr. Shrinivas : Thank you, ma'am. Mr. Avinash Gupta, he is the independent director and chairperson of Risk Management Committee. He is not able to attend the meeting, he is traveling. Taking you all further, Members may note that the List of Directors and Key Managerial Personnel and their Shareholdings and List of Contracts and Arrangements in which Directors are Interested, Certificate of Secretarial Auditors certifying that Stovekraft ESOP scheme has been implemented as per provisions of SEBI (Share Based Employee Benefits and Sweat Equity), Regulations 2021, and necessary documents referred to in the notice are available for inspection electronically during the AGM. Now I request our MD, Managing Director, Mr. Rajendra Gandhi, to address the shareholders.

Mr. Rajendra Gandhi: Thank you, Shrinivas. Good morning, ladies and gentlemen. It gives me great pleasure to welcome you all to the 27th Annual General Meeting of Stovekraft Limited and to present our annual report for FY25-26. The theme of this year's Annual Report - Scaling Value, Simplifying Lives Through Everyday Innovation, reflects what we have been working to achieve during the year. FY25-26 was a year of meaningful progress for StoveKraft. We strengthened growth, improved cash generation, significantly reduced debt, and expanded our presence across categories, channels, and consumer segments. At the same time, we continue to develop practical and innovative products that respond to changing cooking habits and evolving household needs. The year began in an environment of uneven consumer demand, international trade uncertainties, commodity price movements, and foreign exchange volatility. Such periods test the strength and resilience of our business model. For Stovekraft, our integrated manufacturing base, diversified channels, and broad product portfolio enabled us to respond quickly to



changing market conditions without losing momentum. Our domestic business remains resilient, and we closed FY25-26 with a considerably strong operating and financial position. Let me begin with our financial performance.

Revenue from operations increased by 10.9% to ₹1,607 crore during FY25-26. Gross profit grew by 12.7% to ₹623 crores, with gross margin improving from 38.1% to 38.7%. EBITDA stood at ₹166 crore excluding other income and other gains or losses. While profit after tax increased by 9.1% to ₹42 crores. The 4th quarter provided a particularly strong finish with revenue growing by 32.4%.

However, beyond revenue and profitability, I believe the most significant progress during the year was in our cash flows and the balance sheet. Cash flow from operations increased to approximately ₹258 crores. Our working capital cycle reduced significantly from 64 days to just 23 days, driven by tighter management of inventory and receivables. This gives Stovekraft greater financial flexibility as we enter the next phase of capacity utilization, category expansion, and market development. On the consumer front, consumer preferences are evolving rapidly. Today they are looking for greater speed, convenience, flexibility, and efficiency in their everyday cooking. Electric cooking continues to gain acceptance, particularly across urban households, organized retail, and digital channels. Our induction cooktop business delivered 23.9% value growth and 11.7% volume growth during FY25-26. Growth accelerated further in the 4th quarter, demonstrating the significant opportunity that continues to develop in this category. To support this growth, we strengthened our manufacturing capabilities across Bangalore and Badri. We have also extended our electric cooking capabilities into professional kitchens through the launch of our Pigeon Ignite 3500 heavy-duty infrared cooktop. This marks our entry into the Horeca segment and allows us to take capabilities beyond our consumer business into a new and promising application area. At the same time, our cookware portfolio is moving towards higher value and more specialized products, including cast iron, tri-ply, ceramic-coated, and stainless steel cookware. Our small appliances and household solutions are also enabling us to address a broader range of everyday consumer needs. Therefore, the opportunity before us is much larger than any single product category. We are building a diversified consumer platform across



cookware, kitchen appliances, and home solutions, supported by the strength of our Pigeon and Gilma brands. Our exclusive retail network continued to expand during the year. We closed FY25-26 with 329 Pigeon exclusive brand outlets across 22 states and 151 cities and towns. Following the addition of 67 stores during the year, our new retail network contributed 7.5% of revenue during FY25-26. These stores are more than just points of sale. They enable consumers to experience a wider representation of the Pigeon's portfolio under one roof. They also help us improve product visibility, understand consumer preferences more directly, and strengthen our presence in markets where our complete portfolio may not always be visible through general trade or modern retail. We remain committed to establishing approximately 100 stores every year. Our objective is simple: to remain accessible to consumers wherever and however they choose to discover, compare, and purchase our products. Further, manufacturing remains at the heart of our operating model. Over the past several years, we have invested significantly in backward integration, product development and capacity creation. These investments have strengthened our control over cost, quality, scale, product availability, and time to market. Our partnership with IKEA represents an important milestone in the development of our global business. We have invested around Rs. 50 crore in dedicated tooling, machinery, and supporting infrastructure. For this program, with production expected to commence progressively during the current year, FY26-27. This partnership is important not only from a revenue perspective, it strengthens our manufacturing credentials, provides exposure to global quality standards, and creates a platform for longer-term development of export business. We also intensified our digital marketing presence to create more consistent engagement with consumers across platforms. These initiatives are helping us to improve product understanding, strengthen brand recall, and connect innovation with recognizable household needs. Ultimately, our object is to bring brands closer to consumers, both physically and digitally. As we grow our business, we remain equally committed to growing responsibly. Approximately 41% of our energy requirement is now met through clean and renewable sources. We are also reducing the use of non-biodegradable packaging, treating wastewater across our facilities, and recycling process-generated plastic into reusable granules. Our commitment also extends to developing people and creating opportunities through the NAPS National



Apprenticeship Promotion Scheme and the NATS National Apprenticeship training scheme. More than 5,400 individuals have received apprenticeship and skill development opportunities over the past 4 years. Ladies and gentlemen, we enter FY26-27 with a significantly strong financial and operating foundation. Our priority is now to convert the capabilities and investments we have built over the years into sustained growth, stronger returns, and deeper consumer relevance. We will continue to invest in categories with attractive growth potential, improve capacity utilization, expand our distribution and retail footprint, strengthening our brands, and develop new opportunities, both domestic and international markets. At the same time, we will remain disciplined in our approach and protect the improvements we have achieved in working capital cash generation, and balance sheet strength. Most importantly, we will continue to remain closely aligned with the everyday need of consumers. The changing lifestyle preferences and expectations will continue to guide our strategy and innovation. Together, we have made FY25-26 a strong year for StoveKraft and have laid a solid foundation for the next phase of our growth. However, we remain confident about the opportunities ahead and committed to creating sustainable long-term value for all our stakeholders. Before I conclude, I would like to express my sincere appreciation to our stakeholders, shareholders, for their continued confidence and support. I would also like to thank our consumers, employees, channel partners, franchisee partners, suppliers, and business associates for their valuable contribution and continued partnership. Thank you.

Mr. Shrinivas : Thank you, sir. Going forward, with the concurrence of members, I take the notice of 27th Annual General Meeting, Financial Statements, Board's Report, and Auditors Report as read. The members may note that the Auditors Report do not contain any qualification, reservation, or adverse remark. There are total 10 items of ordinary and special businesses set out in notice of AGM, which are as under:

- Adoption of Audited Financial Statements for the financial year ended 31st March 2026;
- Declaration of dividend of ₹3.50 per equity share for FY25-26;
- Reappointment of Mrs. Neha Gandhi, Executive Director, retiring by rotation;



- Reappointment of Price Waterhouse Chartered Accountants LLP as Statutory Auditors of the company for further period of 5 years;
- Ratification of remuneration of Cost Auditors for the financial year ended 31st March 2027;
- Approval of modifications to Stovekraft, employee stock option plan 2018;
- Reappointment of Mr. Anup S Shah as Independent Director of the Company for a period of further period of 5 years;
- Reappointment of Mrs. Neha Gandhi as Executive Director of the Company for a further period of 5 years;
- Appointment of Mr. Chandru Kalra as Non-Executive Director of the company; and
- Approval for payment of professional fees to Mr. Chandru Kalra, Non-Executive Director of the company.

We wish to inform that company had provided the facility to cast the votes electronically on all the above resolutions as set out in the notice of AGM. Members who have cast their votes, who have cast their votes who have not cast their votes electronically, and who are participating in this meeting will have an opportunity to cast their votes during the meeting through Insta poll e-voting system provided by our RTA KFin. Members can click on Vote tab on video conference screen to avail this feature once chairperson calls for the e-voting. If any member desired to ask any question pertaining to any item of notice, they may do so now. Members are requested to keep their questions brief, specific. The moderator will facilitate the questions on the video feature. Before we go with Q&A, here are some points to note for convenience. Kindly turn on your video when you are projected on the broadcast screen. Kindly unmute yourself and proceed to ask question. Please mention your name, DEMAT account number, and location from where you are joining. Each shareholder will have 3 minutes for their questions. Once you have asked questions, you can continue to watch the proceedings. I now request, request our moderator to facilitate the shareholders to express their, express their views on accounts and operations of the company.

Moderator: Thank you, sir. Now I will call all the pre-registered speakers one by one. The first registered speaker is Mr. Santosh Kumar Saraft from Kolkata. Currently Mr. Santosh



is not available sir. Moving to the next speaker. The next speaker is Mr. Manjit Singh from Delhi. Mr. Manjit Singh also not joined sir. Moving to the next speaker. The next speaker is Ms. Davinder Kaur from Delhi. She's also not joined sir. Moving to the next speaker. The next speaker is Mr. Keshav Garg from Pune. May I request the speaker to unmute and proceed, please.

Mr. Keshav Garg: Hello, Sir. Am I audible.

Moderator: Yes, sir, you're audible. Please proceed, sir.

Mr. Keshav Garg: Thank you for the opportunity. So firstly, I wanted to understand know improvement in our working capital, the negative working capital cycle days that we're operating at, is that sustainable? Can we expect some further improvement in the same? Second, you know, what kind of steady-state EBITDA margins can we expect to operate at over the next 1 to 2 years? And what sort of volume and value growth are we looking to grow at over the next 1 to 2 years? And what are our CapEx plans? Going forward, and how do we plan to fund it?

Moderator: Thank you, sir. Moving to the next speaker. The next speaker is Mr. Yusuf Yunus Rangwala from Mumbai. May I request the speaker to unmute and proceed, please.

Mr. Yusuf Yunus Rangwala: Sir, आपका आवाज़ आ रहा है, sir.(Not Clear) आपका आवाज़ आ रहा है?

Moderator: जी सर।

Mr. Yusuf Yunus Rangwala: Hello सर very good good morning sir सर पहले तो मुंबई से आपको विश करता हूँ और सब त्योहार आपको शुभकामनाएं देता हूँ सब और हो सके तो अपना प्रोडक्ट हमें सैम्पल के हिसाब से भेजना डिस्काउंट कुपन भेजना और चेयरमैन साहब हो सके तो फैक्ट्री visit करना देखो आपकी हसी गड्डे साहब त्योहार में याद करो सब बहुत मीटिंग है सब Thank you very much good luck sir, have a good day sir. Thank you sir

Moderator: Thank you sir. The next speaker is Mr. K. Bharat Raj from Hyderabad. Currently he is not available, sir. Moving to the next speaker. The next speaker is Ms.



Celestine Elizabeth Mascarenhas from Mumbai. Currently she is also not available. Moving to the 8th registered speaker. 8th registered speaker is Mr. Himanshu A. Trivedi from Vadodara. May I request the speaker to unmute and proceed, please. May I request the speaker Himanshu ji to unmute and proceed, please. Since there is no response from the speaker, moving to the next speaker. The next speaker is Mr. Manoj Jeevraj Bhai Bagadia from Mumbai. May I request the speaker to unmute and proceed.

Mr. Manoj Jeevraj Bhai Bagadia: Hello, can you hear me, sir.

Moderator: Yes, sir, we can hear you. Please proceed.

Mr. Manoj Jeevraj Bhai Bagadia: Sir, thank you for the opportunity. Sir quickly, like somebody asked, how do you see the growth for next 2-3 years actually, and where do you see the stable state margins? Because currently there is a lot of volatility in terms of the material prices, other costs also. So costs are going up, right? I mean, how do you plan to pass on these cost increases? Because in a branded business, it's very difficult to take a call of whether it's a sustainable long-term cost increase or it's a short-term. So if you can talk about the cost pressure, whatever is happening, how do you plan to pass it on? And how do you see the growth for coming 2-3 years? In the same way, sir, can you talk about the industry growth overall and the competitor scenario? Because we understand the industry in domestic market is highly competitive. So if you can talk about that. Also about the IKEA relationship, if you can talk about, I mean, how big this relationship can grow in next 3-5 years. And would you see at least 2-3 more such relationship over next 3-4 years? And is that a focus area for us or not? And my last question is, sir, if you can talk about the CapEx plan and what's been the capacity utilization and when do you see optimum utilization of the capacity? Thank you very much, sir.

Mr. Rajendra Gandhi: Thank you.

Moderator: Thank you, sir. The next speaker is Mr. Aloysius Peter Mascarenhas from Mumbai. Currently the speaker is not available, sir. There are 2 more speakers registered, that's Rajesh Kevalram Chainani from Mumbai and Mr. Ramesh Shankar Golla from



Hyderabad. Currently they are also not available, sir. With this, we are completing the speaker session and handling the stage back to you for further. Thank you, sir.

Mr. Rajendra Gandhi: So thank you for the keen interest in the Company's operations and let me try to address some of the questions that were raised. We are currently not a negative working capital company. We are improving our working capital days. We are trying to work both on our inventory and our receivable days, and also trying to fund our suppliers and customers externally so that our realization for cash-to-cash cycle is much faster. While last year there was a thrust on improving our working capital cycle, and so we could achieve 23 days, and we will further endeavor to improve it further. There are possibilities as the demand for our products grow, we can be faster to the cycle to reach the consumer instead of having this inventory loaded at our factories or in the channel. So there is a continuous effort to improve the demand for our products, and which we are confident that in the days to come, in the years to come, our working capital days will further come down and will be trying, will be probably the best in the industry. On the margin front, yeah, we were going through progressive growth. I think now both operation and financial leverages are setting. And we are now confident of getting in the range of 11 to 14% at EBITDA, and we are very confident to be in this range now. On growth front, we continue to grow faster than industry, and we are very confident with all the capabilities that we have, the manufacturing strength which is giving us cost and scale advantage. All this time we only used to, we believe that there's a cost and supply chain strength in our manufacturing. But today I could proudly say that at the size and scale that we operate, it gives us a huge headroom over competition. And because of the growing strength of our distribution and the popularity of our brand, both are giving us an advantage over competition to grow faster. The opportunity in this category is very good at the moment, is very strong, and the next near term we see it very, very strong. So as it is, the industry should grow well, the categories should do well, but as a company we are very confident of growing faster than the industry. On CapEx, currently we are end of the investment cycle on the CapEx that was planned about 4 years back. We will continue to have some maintenance CapEx, but we also foresee that we are, we will in the near future, in the years ahead at least in the near term, we are likely to grow faster



than the planned growth. And if we grow faster, then we will have to come back and plan for a further expansion on our CapEx. But otherwise, currently we are good to have a meaningful, reasonable maintenance CapEx. Any CapEx, the company is financially strong enough and generates enough free cash flows to fund its own CapEx. And so we will be funding any CapEx plan. We would want to fund it within the internal accruals. On IKEA, it's a strategic partner that they consider us, and so are we. We have invested in the last more than a year to build this platform for them, and they are looking India's manufacturing opportunity and a base alternate to China. So we, in the category that we operate they consider as a strategic partner. We believe in the years ahead IKEA and Stovekraft has a very, very strong proposition of growth. I cannot give it a number now. IKEA works very methodically. This has also helped the company improve, better our manufacturing systems, process facilities to global standards. And this opportunity with IKEA will only grow in the times ahead with us. With this, I hope I could answer many of the questions that you have raised. But if there are any questions and anything you want to know, definitely write to us. You can write to our investor relationship or our company secretary. We will definitely address any of your queries. Thank you again for participating in this AGM.

Mr. Shrinivas :Thank you, sir. Going further, pursuant to the relevant provisions of Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the company provided remote e-voting facility to its members to enable them to cast their votes on all the resolutions contained in the notice of 27th AGM. The aforesaid facility was arranged by company through its RTA, KFin Technologies Limited. The remote e-voting period commenced on 8 September 2026, 9 AM, and ended on 10 September 2026 at 5 PM. During this period, members of the company holding shares as on cutoff date of 4 September 2026 were entitled to cast their vote through e-voting facility in accordance with the provisions of Companies Act 2013 and the company is providing the e-voting facility to the members attending the AGM also. The Board of Directors of the company has appointed Mr. Pramod SM, failing him Mr. Biswajeet Ghosh of BMP and Company LLP, practicing company secretaries, as scrutinizer to supervise the remote e-voting as well as e-voting process. Further, on receipt of consolidated report



from scrutinizer, the results of voting will be declared. Now I request our Chairperson, Mrs. Shuba Rao Mayya to declare the commencement of e-voting.

Mrs. Shuba Rao Mayya: There are 10 resolutions proposed to be passed at the AGM. E-voting on the KFin platform will begin now and will be open for 15 minutes. Members who have not voted are requested to do so. I authorize Mr. Shrinivas, the company secretary, to declare the results of the voting and place it on the website of the company at the earliest. Thank you. Over to you, Shrinivas.

Mr. Shrinivas : Yeah, ma'am, thank you. We thank all our directors and members who joined us today through video conferencing for the AGM. Thank you all for attending meeting, and the meeting is concluded now. Thank you very much.

Mr. Rajendra Gandhi: Thank you, Shrinivas.

Mrs. Shuba Rao Mayya: Thank you, Shrinivas.

Mr. Shrinivas : E-voting window will be there for next 15 minutes.