05 February 2026

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400 001
Scrip Code: 543260

National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051
NSE Symbol: STOVEKRAFT

Sub: Intimation under Regulation 30 - Transcript of Earnings Call

Pursuant to the Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the earnings call held on 31 January 2026.

Please also note that the transcript of the Earnings call will also be made available on our website https://stovekraft.com/investors/.

Request you to kindly take the same on record.

Thanking you,

Yours faithfully,
For Stove Kraft Limited

SHRINIVAS PRANESHACHARYA HARAPANAHALLI

Digitally signed by SHRINIVAS PRANESHACHARYA HARAPANAHALLI
Date: 2026.02.05 21:40:09 +05'30'

Shrinivas P Harapanahalli
Company Secretary & Compliance Officer

"Stove Kraft Limited
Q3 & 9 Months FY '26 Earnings Conference Call"
January 31, 2026

MANAGEMENT: **MR. RAJENDRA GANDHI – MANAGING DIRECTOR – STOVE KRAFT LIMITED**
MR. RAMAKRISHNA PENDYALA – CHIEF FINANCIAL OFFICER – STOVE KRAFT LIMITED
MR. HEMANT KUMAR KOTHARI – VICE PRESIDENT – INVESTOR RELATIONS – STOVE KRAFT LIMITED

MODERATOR: **MS. VIDHI VASA – MUFG INTIME INDIA PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to Stove Kraft Limited Q3 and 9 Months FY '26 Earnings Conference Call. 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 this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Vidhi Vasa from MUFG Intime India Private Limited. Thank you, and over to you, ma'am.

Vidhi Vasa: Thank you, Bhumi and good afternoon, everyone. On behalf of MUFG Intime, I welcome you all to Stove Kraft Limited Q3 and 9 months FY '26 Earnings Conference Call. Today on this call, we have Mr. Rajendra Gandhi sir, Managing Director and Mr. Ramakrishna Pendyala, Chief Financial Officer and Mr. Hemant Kumar Kothari, Vice President, Investor Relations.

Before we begin the call, I would like to give a short disclaimer. This call may contain some of the forward-looking statements, which are completely based upon our beliefs, opinion, expectations as of today. The statements are not a guarantee of our future performance and involve unforeseeable risks and uncertainties. And with this, I would like to hand over the call to Gandhi sir. Over to you, sir.

Rajendra Gandhi: Thank you, Vidhi. Good evening, everyone. On behalf of Stove Kraft Limited, I extend a warm welcome to all participants to the Q3 and 9-month FY26 Financial Results Earnings Call. We also have MUFG Intime with us on this call who are our advisers on Investor Relations. Along with me is Mr. Ramakrishna Pendyala, our CFO and Mr. Hemant Kothari, our Investor Relationship, Vice President, Investor Relations.

We have uploaded our investor deck and earnings press release on the stock exchanges and the company's website. I hope everybody had an opportunity to go through them. Global economic growth continues to remain uncertain with persistent inflationary pressures in several advanced economies and ambiguity related to geopolitical situation and tariff in USA., impacting discretionary consumption.

In contrast, India remains one of the fastest-growing major economies, supported by accelerated urbanization, expanding consumer base, and improvements in the GST policy framework are driving attractive growth opportunities for consumer durable industry, mainly the kitchen and home appliances segment.

These structural tailwinds between domestic and international business resulted into 96% business being contributed by our domestic business for the company in quarter 3. This signifies -- this gives significant confidence to the team and affinity to the Pigeon brand, combined with improving affordability, increasing premiumization and rising replacement demand continue to support long-term sector momentum to the consumer durable sector.

Although for the current and coming quarters, the export environment remains challenging. Our 9 months FY '26 revenue grew to INR1,192.9 crores registering a growth of 4.9% in revenue on a Y-o-Y basis with an improved gross margin of 38.8%. Through disciplined financial structure alignment, the company achieved a meaningful improvement in operational efficiency, with working capital days being reduced to 43.

This translated into a significant reduction in working capital debt which has come down to INR80.6 crores at the end of quarter 3. Our flagship brand, Pigeon recorded a YTD CAGR growth of 9.3% reinforcing its position as a truly Pan-India brand recognized for quality, affordability, brand affinity and strong consumer popularity.

During the quarter, we recorded robust volume growth of approximately 38% in small appliances category and approximately 9% in pressure cooker category. Further, all sales channels remained active and continue to gain momentum with modern trade and exclusive brand stores delivering particularly strong performance and achieving double-digit Y-o-Y growth.

Export sales has faced headwinds due to persistent consistent uncertainty surrounding trade negotiations and tariff structures between India and the United States. Amid this, our IKEA business remains on track with business likely to commence at the end of the quarter -- coming quarter and meaningful revenue contribution expected next year. IKEA with its global presence beyond the US continues to offer strong long-term growth potential.

As we progress towards our objective of reaching 500 stand-alone exclusive Pigeon stores by 2027, the company continues to scale its presence through both COCO and COFO retail model for the Pigeon brand. During the quarter, we added 17 new stores, expanding our network to 313 outlets across 21 states and 138 cities, strengthening our Pan-India retail footprint.

This growing consumer appliance is expected to drive growth across organized retail categories, resulting in increased demand for higher-quality products and enhanced service offerings. Further, our efforts have remained focused on building a strong foundation anchored in consumer satisfaction, motivating us to continuously innovate.

We have successfully launched Pigeon Insta-Mami, idiyappam/snack maker, which has got very high acceptance in the southern states of the country. We are also introducing our instant water heater and un-cord dry iron to strengthen our market presence. Our in-house manufacturing capabilities and deeper backward integration have further enhanced our agility, ensuring consistent quality and improved cost efficiency.

As we move forward, we remain confident in our strategy, focused on delivering consistent value, strengthening our brand and capitalizing on the opportunities. Now I will discuss the Q3

FY '26 financial performance. The consolidated revenue stood at INR378.4 crores for the quarter versus INR404.1 crores in the previous quarter last year, hence, registering a degrowth of 6.4% year-on-year basis, mainly due to lower export sales.

Gross profit for the quarter stood at INR149.2 crores versus INR151.7 crores in Q3 FY '25, registering a degrowth of 1.7% year-on-year. Gross margins for the current quarter stood at 39.4% as compared to 37.6%, improving by 188 basis points, reflecting the strength and resilience of the company's business model.

EBITDA for Q3 FY '26 stood at INR35.3 crores versus INR40.5 crores in Q3 FY '25, showing a degrowth of 12.9% year-on-year. The EBITDA margin for the current quarter stood at 9.3%. Profit after tax for Q3 FY '26 stood at INR4.1 crores versus INR12.1 crores in Q3 FY '25, registering a degrowth. The PAT margin for the current quarter stood at 1.1%.

The quarter, we incurred a onetime expense of INR4.65 crores. It consists of INR1.24 crores for additional provision for gratuity and leave encashment, INR1.9 crores due to forex loss and ECL provision of INR1.51 crores. Now I will discuss the 9-month FY '25 financial performance. The consolidated revenue stood at INR1,192.9 crores for 9 months financial year '26 versus INR1,136.8 crores in 9 months FY '25, hence registering a growth of 4.9% year-on-year.

Gross profit for 9 months FY '26 stood at INR462.4 crores versus INR431.7 crores last year, same time, same period, registering a growth of 7.1% year-on-year. Gross profit margin stood at 38.8% at an increase of 79 basis points year-on-year. EBITDA for 9 months FY '26 stood at INR127.7 crores versus INR121.2 crores in 9 months FY '25, showing a growth of 5.4% year-on-year. EBITDA margin for 9 months FY '25 stood at 10.7%.

Profit after tax for 9 months FY '26 stood at 35.9% versus INR37.1 crores in 9 months FY '25. The PAT margin stood at 3% mainly due to onetime extraordinary impact of INR4.65 crores. The company undertook a substantial debt reduction of INR80 crores during the quarter, which is expected to result in lower interest expense and support margin enhancement in the upcoming periods. Now I would request the moderator to open the floor for question and answer. Thank you.

Moderator: Thank you very much. The first question comes from the line of Khush Gosrani from Geojit PMS. Please go ahead.

Khush Gosrani: Hi, sir. How are you? Just congratulations on decent set of numbers given the market environment. How should one thing growth in the coming quarters, given that the domestic demand is on the increase?

Rajendra Gandhi: Thank you. Of course, the domestic business is quite strong and robust, and the demand continues to be better than the previous period. Of course, the last quarter and the first quarter generally are softer quarters for us. But compared to that, we are seeing good January so far.

Khush Gosrani: Got it, sir. And in terms of the commodity cost, despite rising commodity costs, we have reported highest gross margins. So going ahead, how should we think about it because they have been very volatile over the last 2 months?

Rajendra Gandhi: Yes. The commodity markets are going through very volatile times, while we protect our margins by having a price -- I mean, purchase mechanism, which can take care of a quarter. All our arrangements with large commodity buyers is linked to the previous quarter. So we are protected for the quarter. But going forward, we have no choice, but to pass on the price impact to our consumers. And we have already taken enough measures to address this. We are actually passing on the price increase to our consumers.

Khush Gosrani: And sir, last question, despite the one-offs, the other expenses still on the higher side. So is there any element that of higher advertisement cost or any operational cost coming in?

Rajendra Gandhi: Yes, the third quarter we have been very successful in launching a product in South India. Maybe you are in a different part of the country, and we have very good acceptance of this product. So there is a little increase in the advertisement spend in this quarter -- in the third quarter.

Khush Gosrani: Got it sir. And what would be the percentage of exports in the total top line in this quarter? Or in the 9 months?

Rajendra Gandhi: You're talking about the third quarter?

Khush Gosrani: Yes, third quarter. Yes.

Rajendra Gandhi: Yes, it's very small. It's about 3.5%.

Khush Gosrani: Got it, sir.

Rajendra Gandhi: Generally, we are at 12%. And we wish to grow there. But this quarter, we had a more challenging situation. It's not so very bad always, but this quarter was very bad.

Khush Gosrani: Okay, sir. And in terms of ramp-up of IKEA, we should see from Q4 or it has delayed?

Rajendra Gandhi: The end of this quarter, revenues will start. But meaningful revenue from next year.

Moderator: Our next question comes from the line of Vinod Krishna from Avendus Wealth.

Vinod Krishna: Sir, first question is on the business model, sir, in a sense of, can you explain because we see a lot of competition when we go to e-commerce. But if you see general trade and modern trade, we only have three, four brands and that too we can't consider Hawkins and the premium brands as competition. So if you can explain in the cookware and the kitchenware segment, how do you see yourself positioned?

And whom should we see as your competition and compare your growth to? In these segments, if you can give us outlook on the growth -- domestic side outlook on the growth and more about competition because everybody comes and tries and e-commerce, you see too many brands.

But on ground, you don't see that many brands. So how do you see that? And how are you positioning yourself and you are now -- you are one of the 2 players who have own retail outlets along with the Prestige. So how should we look at this business, let's say, as in the industry? So if you can please help us?

Rajendra Gandhi: Let me explain to you, the TG that we address, we are the leaders in the category that we do. The opportunity is immense and large. We are currently, of course, in the small appliances growing disproportionately to the industry. And even in the pressure cooker segment, we grow disproportionately to the industry.

The opportunity on cookware is large. We are still to address that opportunity fully. But to answer your question, of course, there is a huge headroom for us to acquire more market share within the opportunity that is available. And we are fully available through the general trade also. And apart from the general trade, network that we have, we are expanding our stores.

So for us, it is a stack of e-commerce, modern trade, general trade and our own retail. We would want to be present in all this. All these channels are very important for us. We will give equal attention to all of them and will want to grow all of them. We want to see ourselves as leaders in -- continue to get to leadership in business in total, while we are the leaders in the TG that we address today.

Vinod Krishna: So when you say TG, if you can expand and you can talk about who should we see as your competitors and compare with, if you can -- and your general commentary on competition?

Rajendra Gandhi: So we are only acquiring market share -. So I don't see, we are the competition actually. We continue to acquire market share in each of the segments that we are present in the domestic market.

Vinod Krishna: But if you see Prestige growth is higher than our growth. So how should we see -- I've got the -- in domestic, they have grown 12%. So how should we see, not just this quarter in general, their growth is higher? Hawkins, I'm not comparing. So I'm just trying to understand, when you say leader, can you tell me exactly what is your market share in pressure cookers, at least?

Rajendra Gandhi: So we are moving towards being the largest by units on pressure cooker in this country. And since you mentioned the brand, I want to say in the last 5 years, we were 1/3 of their revenue, which we are closer to 60% of the revenue. So the growth is by far, I can say, disproportionate. There is no way that any other brand in the country in the category that we are operating in the last 5 years have grown faster than us. No way near rather.

Vinod Krishna: So can you at least guide us, sir, 15% growth you were guiding in previous con call. So can we stick to the 15% growth on the domestic side at least till this?

Rajendra Gandhi: I can say that -- while our aspiration is there, we will still be on the double digit. Though you don't see the double digit, we are at about 9% on the Pigeon growth for this quarter. But for the annualized, we will still be better than I mean, if not at the 15% definitely higher than the double-digit base line.

Vinod Krishna: But given IKEA and, if at all, let's say, we have great deal in the next few months?

Rajendra Gandhi: Those are export businesses. We actually anticipate in the future our export business to stabilize again and grow much faster than the domestic business. We are talking about these 2 businesses separately. Let me explain to you the impact in the current quarter.

We have witnessed a quarter, which was minus Diwali sales. So the comparable quarter may not be appropriate. But in spite of that, the domestic revenue was in line with the previous quarter of the same time the without Diwali. Because overall revenue got impacted on exports, we have a degrowth.

Vinod Krishna: So small request, sir. This is not a question. If you can -- in your presentation, if you can do also channel-wise sales division, it would be very helpful because now you have become omnichannel. Your large part is coming from e-commerce. It will help us to see channel-wise what is your sales and volume like you give the category-wise, product-wise, if you can also give the channel-wise, it will be very helpful for us, sir?

Rajendra Gandhi: We generally provide you the growth that we do on each of the channels in our presentations, and but if you want, I will just give you the 9 months and the quarter gone by numbers.

Vinod Krishna: Yes. Yes. e-comm, channel e-commerce, GT...

Rajendra Gandhi: I'll give you all the channels. You can write down if you require. For 9 months the contribution of GT for the quarter gone by was 38.5%, e-com was 34%, 12% came from modern trade. We have corporate sales is 3.3%. Our own retail contributed to 8.5% and OEM export was 3.7%.

Vinod Krishna: Got it. So -- at least in the domestic, we can take double-digit growth for the next 2, 3 years, right? On the domestic?

Rajendra Gandhi: Yes, we are very confident, sir.

Vinod Krishna: Sir, on margins, sir, if you can give guidance about EBITDA margin, I'm not talking about -- I know you can easily pass on because, given your pricing, you can easily -- on backward integration, you can easily pass on the cost and still be affordable. But in general, EBITDA margin, any guidance?

Rajendra Gandhi: You will see improvement on both our gross margin, EBITDA margin and the price margins, at least 1% year-on-year.

Vinod Krishna: At least 1% year-on-year. And debt, sir, this is the last question, sorry. Debt, it will be debt free by this year-end, right? Because that was your guidance?

Rajendra Gandhi: Yes. Cash debt free. There is an accounting that we have already reduced our total working capital has come down to INR80 crores from its previous INR160 crores.

Vinod Krishna: No. Leave the lease part, sir. But normal debt, like real bank borrowing that was I would say...

Rajendra Gandhi: Normal debt should be close to 0.

Management: Except the supply...

Vinod Krishna: By year end, sir...

Rajendra Gandhi: So there is a supply -- no. So debt is the money that we borrow from the bank will be close to 0.

Vinod Krishna: Yes, sir. Not the lease liability. Leave the lease liability.

Rajendra Gandhi: Yes. Then we'll be close to 0.

Vinod Krishna: Already, sir or by year-end?

Rajendra Gandhi: By the year-end.

Moderator: Our next question comes from the line of Rachna K from SIMPL.

Rachna K: Within the other appliances category, could you provide some color on mixer grinder as a category, excluding Nutri blenders, including trends for us in terms of revenue scale and profitability over the last 2, 3 years?

Rajendra Gandhi: It's very difficult to give you product-wise, but we can definitely share it with you. We'll have to dig out those details. But in the small appliances category, we are growing very fast. For us in the small appliances category, the mixer grinder is the weakest one. But we are growing very fast in the Nutri blender.

Rachna K: Okay. So how do we position our mixer grinders across channels? And has our mixer grinder portfolio seen any pressures related to competition. Some qualitative color only on the mixer grinder category, if you could provide?

Rajendra Gandhi: So we believe that mixer grinder is a cluttered category. And we believe that it is a margin drainer. We'll continue to be in the mixer grinder until, unless we innovate, we are able to get some cutting-edge innovation I don't see very high numbers coming from mixer grinder. Still, it is INR100-plus crores category for us, but it is a very cluttered, low-margin business.

For us, we are agnostic to margin and we will not want to have differential margin between different products. Being in a highly competitive appliance in -- the mixer grinder being in that category and that could be the reason for our lower -- I mean, we don't stand. Generally in any of the category that we are, we'll be in the top three.

But mixer grinder, we are far away from any of those. So I will want to guide you on the mixer grinder alone. I don't think we will put all our efforts to build only the mixer grinder. We would want to build more of appliances and we get to leadership in the appliances as a whole rather than only focusing on the mixer grinder.

Rachna K: Okay. Understood. One more question. Cooktops as an overall category used to contribute around 25% to 30% in FY '22. And now, annually, it contributes around 20%. Within this, the mix of induction cooktops has remained stable, while the gas cooktops has declined. Could you help me explain the reasons for this decline in mix, whether it is driven by competition or whether as per our ambition of profitability, it was not favourable compared to other appliances and broader categories?

Rajendra Gandhi: No, we are growing the cooktop business, both in induction and gas top. But we let go one channel completely in the past. We were leaders in the channel. It was a co-branded channel with the oil companies, which we completely let go. So we are building the cooktop business minus that channel. At some time, it was contributing to about 60%, 70% of our cooktop business. Today, we don't do any business in the co-branded channel. And that's why you will see realignment on the numbers. But when you take other channels stand-alone, we continue to grow.

Rachna K: So after the exiting business with the oil companies, how has the business grown profitably, if you could explain that as well for cooktop?

Rajendra Gandhi: Definitely, it is a higher-margin business compared to the co-branded oil company business. And for us, as far as margins are concerned, I again want to reiterate that we are agnostic on the margins by product or by channel. More or less, we'll be in the same range. For us, even the cooktop or the induction cooktop, we are carving very large market share. By absolute numbers, we are leaders in this country and growing. On the glass cooktop business, we are also still building the business without the oil company business. So we are able to get back to leadership again. The margins are agnostic.

Rachna K: So what would be the efforts for building cooktops business, if you could again provide some color?

Rajendra Gandhi: We have a very strong backward integrated facility for making cooktops, particularly none of the brands that in the country that operate will have a facility like that. We make -- we also process the glass ourselves. So we have a complete cost and quality control along with the supply chain control. So with that, we are continuously working on innovation. And as we innovate, we'll be able to get more and more market share, but we are growing.

Rachna K: Okay. And about steel cooktop?

Rajendra Gandhi: Stainless steel cooktop is slowly fading. At some time in the past, it was only stainless-steel cooktops. It's a very small contribution to the overall cooktop business is less than 5%, 6% of our business, 5%, 6% of our LPG cooktop business.

Moderator: Our next question comes from the line of Pallavi from Sameeksha.

Pallavi: Yes, sir. This was regarding right now, you mentioned about the exports hitting the cookware segment. So what would be the number of excluding exports, the 3Q growth in cookware? And have we also introduced non-stick -- apart from non-stick cookware the other cast iron or other types of cookware stainless steel?

Rajendra Gandhi: So stainless steel is one range that we will build. But the rest of the cookware, we have a complete stack, we continue to make non-stick cookware that is what you mean by non-stick cookware is the PTFE coating. So the variant is a non-stick cookware. The emerging coating is ceramic coating. We are actually both when you combine exports and domestic, they are by far the largest in that category now.

And we also, of course, have a completely automated line for making cast iron cookware. And we are gradually just started -- we have introduced to the market a new range of cookware, we called this CERACLAD. It is a stainless-steel aluminium ceramic coated cookware. So I think with the addition of stainless-steel range of cookware we'll be complete on the cookware. We are again in the cookware business growing very fast.

Pallavi: And sir, what would be the growth excluding the export number in the domestic market for cookware?

Rajendra Gandhi: We'll have to work on that because currently, that...

Pallavi: Yes. And my second question, sir, was on cooker category...

Rajendra Gandhi: I'll have to subtract because for us cookware we have a number that includes export business. I will separately make and send it through our Investor Relationship.

Pallavi: My second question was on cookers. What is the kind of growth we expect in the future? This quarter, we have been slower than the leader Hawkins in terms of growth in the cooker category, just wanted to understand that slower growth because GST cut came ...

Rajendra Gandhi: But unit numbers we are growing faster than -- by unit numbers, we are definitely growing faster than any of competing brands. And for us, Y-o-Y absolute value growth on pressure cooker alone is at about 4%.

Pallavi: Right. So the price hike you mentioned you've taken -- have you taken in this category also in this quarter?

Rajendra Gandhi: No. Yes. We are working on that. We are protected for this quarter. But for the coming quarter or the end of this quarter, we have already announced those price corrections and which will be effective from, say, March, and we'll start seeing real-time correction from April.

Moderator: Our next question comes from the line of Varun Ghia from Equitree Capital Advisors Private Limited.

Varun Ghia: Sir, my first question, if you could throw some light on what are the challenges in export, because Q2 was very good despite tariffs. So what has changed now? And previously, your growth outlook on exports was 40%, 50%, so how would you see that going forward? And also...

Rajendra Gandhi: There are two questions . Yes, please continue your question.

Varun Ghia: No, you can -- I'll ask the second question later.

Rajendra Gandhi: Okay. So there are 2 aspects to the export. We did have some challenges in the first quarter and which we had to complete those orders in the second quarter. So there was a stack-up of the inventory at the customer's point. And so from the fourth quarter, it is back to normal on that particular -- and we have developed 3 other product categories for exports.

We have also had alignment with our customers, but they are unable to initiate those orders until this tariff stabilizes. We are very confident that in the near term there will be some clarity and stabilization of the tariff. And so these are on pause at the moment, while we have developed it. And our export growth potential is also driven by our new customers like IKEA. So considering all this, we were very optimistic on our growth. We will end at growth for exports in the year, but definitely, the quarter gone by was very, very subdued.

Varun Ghia: Till the tariffs stay, the export outlook is not clear, basically?

Rajendra Gandhi: Can you please reframe,so I'll tell you, our existing categories continue to grow. The new business is yet to start. The new business is,the IKEA business is yet to start. We are also working on some other countries. But the existing business with our US customers continue. The new development of new product categories with our American customers are in pause.

Varun Ghia: Okay. And secondly, what was this forex loss of INR1.9 crores, is it due to some hedging because we don't import anything, right, under the depreciation of INR?

Rajendra Gandhi: So while we have a hedging policy, there was very disruptive volatility in the forex. And this mainly is actually an unrealized provision that has been made for some capex, which have deferred payment. We would have bought these machines they are on LC payment. And so these are unrealized loss that we have provided.

Varun Ghia: And what is the ECL provision related to INR1.5 crores?

Rajendra Gandhi: The rest of -- we generally hedged both our receivables and payables. Our payables are mostly in CNY and receivables are in dollars. Because the receivables, I mean, the export business is the long-term, we'll have a plan for a year.

We are able to hedge for longer periods. And the payables are for shorter periods. Generally, we pay them in 30, 60 days. And so our payable hedging policy. I mean, whatever we have imported and aware of the payment we hedge. So both sides we hedge.

Varun Ghia: Okay. And what was the cash flow from operations for 9 months, if you could provide that number?

Rajendra Gandhi: Yes, just 1 minute. CFO from operations is INR242 crores.

Varun Ghia: INR242 crores?

Rajendra Gandhi: Yes.

Varun Ghia: Okay. That isokay. And lastly, you mentioned that you will still continue to do a double-digit revenue growth. So you will have to do almost INR400 crores of top line in Q4 and...

Rajendra Gandhi: Hopefully, we should be closer to that, hopefully.

Varun Ghia: Okay. And lastly, you gave a breakup of the revenues for 9 months, there was some mismatch in numbers. You mentioned export was just 3.7%, which comes to only...

Rajendra Gandhi: For the quarter? For the quarter?

Varun Ghia: For 9 months?

Rajendra Gandhi: No, no. 9 months is much higher. I will give you, just a minute. My mistake, 11.4% is for the 9 months and for the quarter was 3.7%. The numbers I gave you was all for the quarter 3. If you want the number for 9 months, I'll separately give it.

Moderator: Our next question comes from the line of Anubhav Goel from Cosma Ventures.

Anubhav Goel: Sir, just confirming, if I caught it right, you're saying exports for the year, we will see growth on top of the INR160 crores sales number we recorded for FY '25 and 4Q will be back to normal, is that correct?

Rajendra Gandhi: You're right.

Anubhav Goel: And the 9-month sales number for exports comes to around INR136 crores, based on the 11.4%?

Rajendra Gandhi: So for the 9 months, we don't have a big, big, degrowth. But for the quarter, there was a huge dip.

Anubhav Goel: And sir, any...

Rajendra Gandhi: For the 9 months, we have a small growth, 2.2% growth for the Y-o-Y for export.

Anubhav Goel: Got it, sir. Sir, and any color for FY '27, like do we see export sales remaining around INR160 crores, INR170 crores sales or we can head up higher to say, 190, 200?

Rajendra Gandhi: You're talking about FY '26 or FY '27?

Anubhav Goel: FY '27.

Rajendra Gandhi: '27 will grow over the current year. We have this completely new business coming from IKEA. And the current business itself, if it normalizes will be in the range that you mentioned. So we have the 9 months about -- export business is INR136 crores, right? So we'll be closer to the number that you mentioned for the year. But for the FY '27, definitely, we have a completely new business with IKEA coming.

Anubhav Goel: Got it, sir. So sir, regardless of the tariffs being lifted, we at least at the bare minimum, expect these numbers to sustain?

Rajendra Gandhi: Yes. If the tariff continues, the existing business will continue. The new business from U.S market may not grow. And then there are other markets that we are exploring, and IKEA business will get it -- is closer to beginning. And that is a very steady state business and this is a global business and not linked to any one country.

Anubhav Goel: Got it, sir. Great. And sir, given that we have seen a strong domestic sales number for 3Q and you mentioned 1Q and 4Q are usually weak for the domestic business. So any color you can give for the domestic business for 4Q?

Rajendra Gandhi: For the Q4?

Anubhav Goel: Yes, sir. Yes, sir.

Rajendra Gandhi: Q4 business is good. I said January is doing very well.

Anubhav Goel: Okay. And sir, gross margin really improved this quarter 39%. So with the rise in copper and aluminium prices, do we see the risk of these margins going back to, say, 36%, 37% or we showed broadly with the price hikes coming through sustain at these levels?

Rajendra Gandhi: So we would improve our margins by at least 1% year-on-year. I don't see we are slipping from that. There's a constant endeavor to correct our margins. We will pass on any price increase. Of course, there will always be that lag both sides. We generally protect all our costs for a quarter, try to protect our costs for a quarter. That's how our new business arrangement with our suppliers is.

Anubhav Goel: Got it, sir. And sir, finally, last question. Can you share the 9-month sales number for your cast iron cookware. I think you had shared a INR17 crores sales number for 1Q?

Rajendra Gandhi: Okay. We will share it. I don't have readily. I will give you the cast iron sales -- our Investor Relations team will send it to you.

Moderator: Our next question comes from the line of Anand Mundra from Soar Wealth.

Anand Mundra: Sir, just wanted to check how much is export growth you said, for 2%, for the first 9 months?

Rajendra Gandhi: Yes, good evening. So, yes, for 9 months last year, it was INR133 crores, and we are at INR136 crores for 9 months, current year.

Anand Mundra: Okay. Okay. And sir, how much is the degrowth in absolute amount in Q3, sir, in exports?

Rajendra Gandhi: It is INR27 crores.

Anand Mundra: So it is lower by INR27 crores in Q3 as compared to last year's Q3?

Rajendra Gandhi: Yes, sir.

Anand Mundra: Yes. Okay. And sir, what is our domestic growth for the first 9 months, sir? It's 9%, you mentioned?

Rajendra Gandhi: So Pigeon brand is about 9%. For 9 months, it will be larger. For the quarter, it was. I'll give you the 9 months, one sec. 9 months is10.3%.

Anand Mundra: Domestic business growth?

Rajendra Gandhi: Yes.

Anand Mundra: Okay. Sir, one small request. If in presentation, we can give the breakup of export and domestic business, because export has become big and any variation may give a wrong picture on the overall -- on the company, sir.

Rajendra Gandhi: So you are suggesting to us to give domestic and export business growth and degrowth?

Anand Mundra: Or absolute amount breakup of revenue per quarter?

Rajendra Gandhi: Yes. I can. Yes. Generally they give...

Anand Mundra: Sir, if someone can provide on...

Rajendra Gandhi: In our numbers we don't separately give domestic sales and exports sales. Okay. We'll try to add an addendum to this presentation itself.

Anand Mundra: And sir, if this can be provided for this quarter also by an update to...

Rajendra Gandhi: Yes, yes. This is what we have uploaded, we will send you an addendum. We'll try to do that.

Anand Mundra: Yes. Sir, second thing, sir. So what is your guidance on gross margin -- actually someone has already asked. So you maintained that you would be able to maintain 39%, 40% gross -- 39.5% gross margin given the rise in commodity prices, sir?

Rajendra Gandhi: So currently, we are targeting to get to 39%. And we believe that year-on-year, we'll be able to improve this by 1%. So you can take this kind of a guidance. It may not be absolutely like that, but a kind of guidance in the next 3 years, we would want to get to between 41% and 42%.

Anand Mundra: Okay. Sir, what is our capacity utilization in cast iron? Have we reached to profit...

Rajendra Gandhi: We are doing only domestic business. Our export business has not commenced. If there is interest, we are at about 40%, 45% on utilization.

Anand Mundra: Okay. And sir, have you capitalized the facility that we have built for IKEA. And the depreciation...

Rajendra Gandhi: That is work in progress. And before the end of this quarter, we'll capitalize 100% of IKEA's facility. There is some capitalization, something is pending. But before the March end, we'll capitalize the complete facility of IKEA.

Anand Mundra: Okay. And sir, our net debt you mentioned was INR80 crores as on 31st December, sir?

Rajendra Gandhi: Yes.

Anand Mundra: And you mentioned that we will be debt-free by March. That would be a tough job, sir, because INR80 crores would be -- so just wanted to reconfirm that.

Rajendra Gandhi: So the debt is absolute debt. I said, cash debt.

Anand Mundra: Okay. Net debt?

Rajendra Gandhi: That INR80 crores includes suppliers' credit that we take. Let me explain in simple words that I can explain to you. We will have 0 CC or WCDL or any working capital loan. The debt is also including some lease financing and lease accounting and all that. Supplier's credit.

Anand Mundra: Okay. And one last question...

Rajendra Gandhi: Currently, if you want to know, I will tell you. That number is below INR30 crores for us on the cash debt, which we are very confident of bringing it closer to -- we are positive to bring it to 0, but may be closer to 0 by the end of this quarter.

Moderator: Our next question comes from the line of Shreyans Jain from Svan Investments.

Shreyans Jain: Sir, can you help me with the absolute export number for this quarter and last year same quarter, sir?

Rajendra Gandhi: INR40 crores versus 141 -- sorry, 14 versus 40. Yes, could you hear me, sir?

Shreyans Jain: You're saying 14 versus 40, is it?

Rajendra Gandhi: Yes.

Shreyans Jain: Okay. So sir, if I just reduce that amount from our Q3 numbers, and we are saying we did about 10% growth in the domestic business, right? So last year 400 and so on...

Rajendra Gandhi: 10% for -- FY -- 9-month period.

Shreyans Jain: And what is the absolute domestic growth that we would have done in Q3, sir? Because I think my numbers say, we are flat, 364 versus 364. Just domestic...

Rajendra Gandhi: See the Q3, again, I want to explain to you that this Q3 is minus the Diwali sales and the last year's Q3 was including the Diwali sales. And sales peak around the Diwali period.

So while the quarter gone by for us in relative terms was very good. For domestic sales, there was no drop in demand because generally, immediately after Diwali, the sales go down, I think there is no 2.5% -- we are lower by 2.5% for the quarter.

Shreyans Jain: Okay. And sir, this quarter, you also would have some spillover of the GST cuts that happened in Q2, and we would have lost some sales to the channels. So I think...

Rajendra Gandhi: All that is positive. All those have been positive. Generally, there is a delta of at least 30% pre-Diwali and post-Diwali. So supposing a month, in a month, whichever Diwali is there, your sales bump up by 30%. And so technically, if in relative terms, there should be a drop of 30% in sales, if the quarter does not have Diwali. But we have -- definitely -- it's not that we have grown. We are minus 2% even on domestic business.

Shreyans Jain: Okay. And sir, just last question. You mentioned OCF, we have done about INR240 crores?

Rajendra Gandhi: Yes. Can you please repeat your question, sir?

Shreyans Jain: Sir, what is the operating cash flow that we would have done for the 9 months?

Rajendra Gandhi: I think we gave you -- for 9 months. Yes, for 9 months was about INR240 crores. So that is not only coming from your gross margins or the contribution margins, but it is also an optimization of our net working capital days have come down to 34 what is that? 42 days. One second, I'll just give. See, we were at 59 days in FY '24. We went up to 64 days in FY '25, and we have come down to 43 days for the 9 months of this year.

Shreyans Jain: Okay. And sir, what is the capex that we have done in the 9 months?

Rajendra Gandhi: Do you have that number? Capex that we have done. You want the cash flow of the capex or you want capex?

Shreyans Jain: So obviously, I have the OCF at 242. So I'm just trying to understand what is the capex that we would have done, so I'll get the...

Management: The capex payments, net would have paid INR63 crores.

Rajendra Gandhi: We have paid INR63 crores.

Shreyans Jain: INR63 crores? Okay. All right. Thank you. That helps.

Moderator: Our next question comes from the line of Ashwini Agarwal from Demeter Advisors LLP.

Ashwini Agarwal: Good evening, sir. Okay. Sorry. Sir, what was the exact issue for exports falling so much in the December quarter? And why do you think this will reverse in the March quarter because the tariff situation isn't resolved as we speak?

Rajendra Gandhi: Okay. Let me explain to you our export business. Generally, we get projection for the whole year. And almost it is very close to projection. It is as close as -- between 96% to 100% of projection is what the revenues actually record.

Beginning of this year, we have been discussing with our customers for new categories. And we had very positive outlook on them. It is not that they have given us orders or projections. With that, we were anticipating high growth. But when we started this year, the first quarter, we had moved from non-stick to ceramic, and it was a new line.

We defaulted on deliveries in time for the quarter 1. And so there were some small cancellations and also the deliveries that were to happen in the first quarter were delivered in the second quarter, along with the orders of the first quarter.

So there was an inventory pile up at the customer's place. So that portion of the business was impacted also along with no new business coming, which was anticipated. So all this put together has resulted in a lower quarter for Q3.

Business for Q4 is in line with normal quarter, but it does not include the possible business that we were to do with IKEA and also does not include the projections that we had for the new categories. So I can only guide you to this that our current business that was business as normal for the previous year remains intact.

The new business is impacted for new categories. And the opportunity that lies ahead of us is work that we have done over the last 1 year in setting up the plant, developing the products. We already have the orders in -- I mean, orders for the whole year from IKEA and revenue will start from -- actual revenue will start from first quarter of April FY '27.

Ashwini Agarwal: Okay. And so just on IKEA, our earlier expectation was that fourth quarter, we will start the production. I mean, fourth quarter, we should see full production. So has it been delayed by another 3 months? And what would be the reason for that?

Rajendra Gandhi: Delay by 3 months, yes. So there are some test protocols that have to be followed. And there has been delays in approval. We are at the far end of these approvals. There are different approvals, different parameters and from different labs and from different parts of the country and multiple labs.

So all this has contributed to a little delay. And particularly because February -- some of the labs are in China, which are doing the test. In February, they are completely shut. There is a kind of annual off in February. So we are expecting these lab reports to come in March. And then we'll start commence the supplies.

Ashwini Agarwal: And would you be able to share the budget for IKEA sales for fiscal '27?

Rajendra Gandhi: I don't think we'll give you so much granular detail about each customer. But I can give you in broader sense that we will be in line with our exports end the year with growth. There is a disappointment for us.

And also, we would have guided you to very high growth on exports. That is not happening for the current year. But with IKEA's additional business, there will be ample growth. And if tariffs stabilize, then there is a huge opportunity for us.

Ashwini Agarwal: And last question, sir, on exports and including IKEA, and I'm thinking about fiscal '27, let's forget this year. Would you say that the margins in exports would be similar to domestic? Or would they be lower or higher?

Rajendra Gandhi: Gross margins are far lower. And EBITDA, they are at par or better.

Moderator: Our next question comes from the line of Nikhat from Dolat Capital.

Nikhat: Sir in domestic business, you have stated 2.5% decline. So this is on the revenue decline, right? And so what was the volume decline in domestic. That is my first question. And my second question is that in small appliances, our volume growth was very strong at around 38.7%, but the value decline was 6%. So why such a high variation between volume and value for small appliances?

Rajendra Gandhi: So it also is a movement of high-value products from some small value products. That could be the major reason. On growth for the quarter, we have? This is again quarter-on-quarter, right? No. You are asking about products or channels?

Management: Domestic channel.

Nikhat: The category, the small appliance categories.

Rajendra Gandhi: Yes, small appliances. We have actually grown 38.7% Y-o-Y. And on quarter-on-quarter, we have grown by 25%. Particularly the small domestic appliances.

Nikhat: Yes. But the value decline is, it's around 6%. So...

Rajendra Gandhi: Value on small appliances, yes, decline is 6%, yes. So it could be lower ,for example, if you're selling more higher air fryers or more kettles, that could change the value -- volume proposition completely.

Nikhat: Okay. Or is this that the competitive intensity is also high in the appliance segment? So we have not taken any price cuts because of the high competition, right?

Rajendra Gandhi: No. There is no scope for price cuts. And I don't think we have such challenges on the price front. We are actually price leaderon price front, we're actually the most aggressive brand. I mean, a fast-growing and strong brand. Definitely a price leader. There is no such challenge on the price side.

And particularly in the current atmosphere, many of the components are imported because of the surge in forex costs, whether it is RMB or dollar, every cost input is going up. And also, there is a surge in commodity price. So both is going up. There is no way I think anybody can look at the price reduction.

And to retain that margin itself, definitely, there is a cost increase to be passed on to the consumer. We have very strong acceptability for our products. So I don't think we have a challenge on that. The only -- what could have happened is, some of those categories also would have moved to in-house manufacturing and absolute value would have come down.

We would have passed on some of the benefits. And that's why you're seeing a value-wise degrowth but volume growth. Volume growth, particularly in small domestic appliances has been the highest both on Y-o-Y and quarter-on-quarter.

Nikhat: Okay, sir. Understood. And this domestic was 2.5% down and what was the volume decline?

Rajendra Gandhi: I think we'll have to evaluate because I don't think we have a number like that. Also, it may not give you the true picture on volume because sometimes it is deceptive. It depends on which -- is a high-value SKU or low-value SKU contributing to absolute numbers. So that could be deceptive. We can share that number still with you. We'll have to compile and send it to you.

Moderator: Our next question comes from the line of Madhur Rathi from Counter Cyclical Investments.

Madhur Rathi: Sir, I wanted to understand with BIS implementation on hobs. Sir, how do we see the cooktop business dynamics changing? And sir, do we see a possibility of market share gains for Stove Kraft, due to the in-house capacity versus our competitors?

Rajendra Gandhi: So,the BIS thing has been deferred for another 6 months. But once there is a complete restriction in hobs, definitely, we have a better capability to any of the trading brands in the country. We'll definitely have an advantage. But currently, it is deferred. So people can still import the hobs and sell. And this up to September '26. Post that, definitely, there will be a higher opportunity for Stove Kraft.

Madhur Rathi: Got it. And sir, did we see any -- sir, so BIS was also implemented on chimney that we manufacture. So did we see a huge reduction in imports coming in? And sir, what was the incremental capacity or the market size that was available post the Chinese exit?

Rajendra Gandhi: So for us also, the chimney business impacted. We are always importing this chimneys. We have established the manufacturing facility for chimney. It is evolving and getting stabilized. Of course, once this plant stabilizes and it imports completely getting curtailed, the opportunity for us to grow there is there.

Currently, actually, chimney business for us also is impacted. We are not having the full range. We have started manufacturing a few -- for us to get to that full fledge, all the model manufacturing will take about a year.

Madhur Rathi: Got it. And sir, what is the amount of -- sir the number of units of chimney that used to come into India through the Chinese or the capacities that were non-BIS-compliant?

Rajendra Gandhi: That's very large. Actually, they are hardly very few manufacturers in the country. And even those manufacturing majority of them bring some SKD parts and assemble, which is not economically actually feasible. The cost of SKD part is higher than the CBU unit because of the packaging and transportation. There are a few manufacturers.

It is still evolving. The country does not have large-scale manufacturing in chimneys. There's a huge opportunity for anybody who's getting into manufacturing. And Stove Kraft that having the complete end-to-end manufacturing to retail, I think we stand to gain. To answer your question, the overall chimney business should be in the range of INR5,000 crores to INR7,000 crores in this country.

Madhur Rathi: Got it. Sir, just a final question from my end. Sir...

Moderator: Mr. Rathi, we're unable to hear you.

Madhur Rathi: Yes. Sir, so I wanted to understand regarding the chimney market. And sir, we were expecting to have INR1,000 crores business from chimneys and hobs. I think we did an interview in FY '22 or FY '23. Sir, so when can we expect to realistically achieve this INR1,000 crores number from these two segments?

Rajendra Gandhi: You mean INR1,000 crores revenue from chimneys and hobs for Stove Kraft?

Madhur Rathi: Yes, sir.

Rajendra Gandhi: Yes. It's a long journey. It will definitely we are nowhere near that number. Definitely, that is possible. That is the opportunity there. But it is a long journey. I don't think it is happening in the next 1, 2 years. But definitely, that opportunity is there.

Moderator: In the interest of time, we will take that as the last question. I would now like to hand the conference over to management for closing comments.

Rajendra Gandhi: Thank you, everybody, for participating in this conference call. We have tried to address all your queries. There are some questions that we will -- send those details through our Investor Relationship team. If you have any questions, you can definitely reach out to us. You can also contact MUFG, our Investor Relationship team. Thank you again for the time today.

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