



SHORTER NOTICE OF ANNUAL GENERAL MEETING

Name of the Company: STOVE KRAFT LIMITED

Registered office: 81/1, Medamarana Halli Village, Harohalli Hobli, Harohalli Industrial Area,
Kanakapura Taluk, Ramanagara District-562112 Karnataka

CIN: U29301KA1999PLC025387

EMAIL: cs@stovekraft.com Telephone: +91 80 28016222 Website: www.stovekraft.com

SHORTER NOTICE is hereby given that the 19th (Nineteenth) Annual General Meeting of the shareholders of Stove Kraft Limited (the “**Company**”) will be held on **Saturday, the September 29, 2018 at 12.00 P.M.** at the registered office of the Company at 81/1, Medamarana Halli Village, Harohalli Hobli, Kanakapura Taluk, Ramanagar District- 562112, Karnataka, India, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, and adopt the Financial Statements of the Company for the year ended 31st March, 2018, including the Audited Balance sheet as at 31st March, 2018, the statement of profit and loss account for the year ended on that date and Report of Board of Directors and Auditors thereon:

“**RESOLVED THAT** the audited financial statements of the Company for the financial year ended 31st March, 2018 and report of Board of Directors and Auditors thereon, including annexure thereto as recommended by the board of directors for adoption by the members of the Company be and are hereby approved and adopted.

“**RESOLVED FURTHER THAT** for the purpose of giving effect to the above said resolution, Mr. Rajendra Gandhi, Managing Director, Ms. Neha Gandhi, Executive Director and Mr. Shashidhar S K Chief Financial Officer, Company Secretary and Compliance officer of the Company be and are hereby severally authorized to do all such acts, deeds and things as may be required or considered necessary or incidental thereto including but not limited to filing of necessary forms with the Registrar of Companies, Bangalore and to comply with all other requirements in this regard under Companies Act, 2013 and rules and regulations made there under and such other law as may be applicable.”

2. To ratify the appointment of the statutory auditors of the Company and to fix their remuneration and in this regard, to consider and, if thought fit, to pass the following as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 139 and 142 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, the Company hereby ratifies the appointment of **M/s Deloitte Haskins & Sells, Chartered Accountants (Firm registration number: 008072S)**, as the statutory auditors of the Company, to hold office from the conclusion of this annual general meeting till the conclusion of the Twentieth (20th) Annual General meeting to be held in the year 2019, and Board of Directors be and is hereby authorized to fix such remuneration



for the F.Y 2019-20, in addition to reimbursement of travelling and other out of pocket expenses actually incurred by them in connection with the audit”.

SPECIAL BUSINESS:

3. Ratification of Cost Auditor’s Remuneration:

To consider and, if thought fit, to pass the following as an **ORDINARY RESOLUTION:**

“**RESOLVED THAT** in accordance with the provisions of Section 148 of the Companies Act, 2013, or any amendment thereto or modification thereof, the remuneration of Messrs. G S & Associates, the Cost Accountants, appointed by the Board of Directors of the Company as the Cost Auditors to conduct audit of Cost Records maintained in respect of applicable products of the Company, for the financial year 2019-20, at 1,00,000/- plus applicable taxes, and reimbursement of out-of-pocket expenses incurred, be and is hereby ratified.”

4. To increase the maximum number of options to be issued per employee and in aggregate per Employee under ESOP.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

“**RESOLVED THAT** in suppression to the resolution passed on 10th September, 2018 at Extra ordinary General Meeting and in pursuant to the provisions of Section 62(1)(b), and other applicable provisions, if any, of the Companies Act 2013 (“the Act”), read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, the Memorandum of Association and Articles of Association of the Company, and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval and consent of the members of the Company be and are hereby accorded respectively for variation to the ‘**Stovekraft Employee Stock Option Plan 2018**’ (“**ESOP 2018**”) and to the Board of Directors of the Company (*hereinafter referred to as "the Board" which term shall be deemed to include any Committee including Nomination and Remuneration Committee, which the Board has constituted or may constitute to exercise its powers, including the powers, conferred by this resolution*), to create, offer, and grant up to **8,13,000 (Eight Lakhs Thirteen Thousand)** employee stock options to the eligible employees of the Company, determined in terms of ESOP 2018, from time to time, in one or more tranches, exercisable in aggregate into not more than 8,13,000 (Eight Lakhs Thirteen Thousand) equity shares of the Company, with each such option would be exercisable for one equity share of a face value of Rs. 10/- each fully paid-up to be issued to the option grantee by the Company on payment of the requisite exercise price, where one employee stock option would convert in to one equity share upon exercise and on such terms and conditions as may be determined by the Board in accordance with the provisions of the applicable laws and the provisions of ESOP 2018.”

“**RESOLVED FURTHER THAT** the equity shares so issued and allotted as mentioned hereinbefore shall rank *pari passu* with the then existing equity shares of the Company.”

“**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are issued by the Company to the option grantees for the purpose of making a fair and reasonable adjustment to the employee



stock options granted earlier, the ceiling in terms specified above shall be deemed to be increased to the extent of such additional equity shares issued.”

“**RESOLVED FURTHER THAT** in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the ESOP 2018 shall automatically stand reduced or augmented, as the case may be, in the same proportion as the face value per equity share shall bear to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said grantees.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the ESOP 2018 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Companies Act, 2013, Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, the Memorandum of Association and Articles of Association of the Company and relevant regulations of the Securities and Exchange Board of India as applicable and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESOP 2018 and do all other things incidental and ancillary thereof.”

“**RESOLVED FURTHER THAT** Board be and is hereby authorised to delegate all or any of the power herein conferred to any committee of Directors.”

“**RESOLVED FURTHER THAT** the Nomination and Remuneration Committee constituted for the implementation of the scheme be and is hereby authorized to inter alia, formulate the detailed terms and conditions of the scheme including the provisions as specified by Board in this regard.”

5. To consider and approve the overall remuneration limit payable to Mr. Rajendra Gandhi & Ms. Neha Gandhi beyond the prescribed limit.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule “V” of the Companies Act, 2013 and subject to such other approvals as may be necessary, consent of the members of the Company be and is hereby accorded for the Managerial remuneration, paid/payable beyond the prescribed limit of 11% of Net profit, not exceeding 3 (Three) crores to Mr. Rajendra Gandhi, Managing Director and Ms. Neha Gandhi, Director

“**RESOLVED FURTHER THAT** for the purpose of giving effect to the above said resolution, Mr. Rajendra Gandhi, Managing Director, Ms. Neha Gandhi, Executive Director and Mr. Shashidhar S K Chief Financial Officer, Company Secretary and Compliance officer of the Company be and are hereby severally authorized to do all such acts, deeds and things as may be required or considered necessary or incidental thereto including but not limited to filing of necessary forms with the



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Registrar of Companies, Bangalore and to comply with all other requirements in this regard under Companies Act, 2013 and rules and regulations made there under and such other law as may be applicable.”

**By and on behalf of the Board of
Stove Kraft Limited**



**SD/-
Shashidhar SK
Company Secretary
Membership No: 7119**

Place: Bangalore

Date: September 21, 2018



NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. THE PROXY NEED NOT BE A MEMBER.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING
3. Information regarding appointment/re-appointment of Directors and Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special businesses to be transacted are annexed hereto.





ANNEXURE TO THE NOTICE OF THE 19TH ANNUAL GENERAL MEETING

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013 ANNEXED TO THE NOTICE OF THE ANNUAL GENERAL MEETING OF THE COMPANY DATED 21ST SEPTEMBER, 2018.

Item 3: Ratification of Cost Auditor's Remuneration:

The Board of Directors of the Company ('the Board') at the meeting held on 10th July, 2018, approved the appointment and remuneration of M/s. **G S & Associates**, Cost Accountant, to conduct audit of Cost Records maintained by the Company for the financial year 2019-2020. In terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, remuneration of the Cost Auditors needs ratification by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, is interested in these Resolutions. The Board recommends this Resolution for your approval.

Item 4: To increase the maximum number of options to be issued per employee and in aggregate per Employee under ESOP.

Shareholders in the Extra Ordinary General meeting held on 10th September, 2018 approved that number of options that may be granted to under the ESOP 2018 shall not exceed 8,13,000 in aggregate, and 52000 in per employee, which now increased to 2,00,000 under ESOP 2018.

Board based on the recommendation of Nomination and Remuneration committee has decided to increase the maximum option per employee under the ESOP 2018 scheme to be 2, 00,000(Two Lakh only/-) in their meeting held on 23rd September, 2018 subject to the approval of the shareholder

The Board recommends this Resolution for your approval to consider and pass it as a special resolution.

Item 5: To consider and approve the overall remuneration limit payable to Mr. Rajendra Gandhi & Ms. Neha Gandhi.

The Board is of the view that overall managerial remuneration paid/payable to Mr. Rajendra Gandhi, Managing Director and Ms. Neha Gandhi, Director shall exceed the limit of 11% of the net profit as prescribed under section 197 of the Companies Act, 2013. Pursuant to aforesaid section the approval of the members is required for paying remuneration beyond the limit prescribed. Therefore Board upon recommendation by the Nomination and Remuneration Committee recommends this Resolution for your approval to consider and pass it as a special resolution





By and on behalf of the Board of
Stove Kraft Limited



Sd/-
Shashidhar SK
Company Secretary
Membership No: 7119

Place: Bangalore
Date: September 21, 2018

Route Map:

