

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STOVE KRAFT PRIVATE LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **STOVE KRAFT PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Standards and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, in respect of one of the directors, disqualification was attracted u/s 164 (2) of the Act however the company has received an order to maintain status quo of the directorship of the director from National Company Law Tribunal as referred in note no. 40 and all other directors are not disqualified as on March 31st, 2018 from being appointed as director in the term of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



Deloitte Haskins & Sells

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's registration no. 008072S)



S. Sundaresan
(Partner)
(Membership No. 25776)

Bengaluru, July 31, 2018
SS/JKS/2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **STOVE KRAFT PRIVATE LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's registration no. 008072S)



S. Sundaresan
(Partner)
(Membership No. 25776)

Bengaluru, July 31, 2018
SS/JKS/2018

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of fixed assets
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were not physically verified during the year by the Management in accordance with a regular programme of verification. However subsequent to year end, majority of the fixed assets has been physically verified by company.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and material discrepancies noticed on the physical verification have been properly dealt with in the books of account.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year and does not have any unclaimed deposits.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.



Deloitte Haskins & Sells

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax, Goods and Services Tax which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved	Amount unpaid
Central Excise Act, 1944	Service Tax Input Credit	CESTAT, Bangalore	2010-11	4,554,978	4,099,481
Central Excise Act, 1944	Service Tax Input Credit	CESTAT, Bangalore	2011-12	7,845,528	7,608,472
Central Excise Act, 1944	Service Tax Input Credit	CESTAT, Bangalore	2012-13	5,672,836	5,105,554
Central Excise Act, 1944	Excise Duty	High Court of Karnataka	2011-15	14,092,726	14,092,726
Central Excise Act, 1944	Service Tax Input Credit	Commissioner of Central Excise, Bangalore-III commissionerate,	2006-10	11,963,828	11,963,828
Karnataka Value Added Tax Act, 2003	Value Added Tax	Joint Commissioner of Commercial Tax , Appeal	2011-12	896,372	627,460
Karnataka Value Added Tax Act, 2003	Value Added Tax	Joint Commissioner of Commercial Tax , Appeal	2012-13	747,764	523,435
Custom Act, 1962	Custom Duty	CESTAT, Bangalore	2010-13	7,579,168	6,502,293

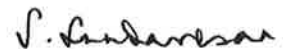
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks and dues to debenture holders. The Company has not taken loans from government.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The money raised by way of term loan has been applied by the Company during the year for the purpose for which it was raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

↓

Deloitte Haskins & Sells

- (xi) The Company is a private company and hence the provisions of section 197 of the Companies Act, 2013 do not apply to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's registration no. 008072S)



S. Sundaresan
(Partner)
(Membership No. 25776)

Bengaluru, July 31, 2018
SS/JKS/2018

STOVE KRAFT PRIVATE LIMITED
STANDALONE BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Note No.	As at March 31st 2018 ₹	As at March 31st 2017 ₹
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	189,001,100	189,001,100
(b) Reserves and surplus	4	230,782,618	204,970,226
		419,783,718	393,971,326
Non-current liabilities			
(a) Long-term borrowings	5	240,824,812	147,889,314
(b) Other long-term liabilities	6	148,265,696	169,040,612
(c) Long-term provisions	7	36,536,361	32,439,213
		425,626,869	349,369,139
Current liabilities			
(a) Short-term borrowings	8	809,576,548	781,189,417
(b) Trade payables	9		
(1) total outstanding dues to micro enterprises and small enterprises		40,278,259	8,085,851
(2) total outstanding dues to creditors other than micro enterprises and small enterprises		1,441,903,811	1,088,220,750
(c) Other current liabilities	10	128,988,525	223,145,810
(d) Short-term provisions	11	16,078,623	9,888,413
		2,436,825,766	2,110,530,241
TOTAL EQUITY AND LIABILITIES		3,282,236,353	2,853,870,706
ASSETS			
Non-current assets			
(a) Fixed assets	12		
(i) Tangible assets		1,098,721,115	1,145,085,148
(ii) Intangible assets		35,991,602	55,066,852
(iii) Capital work-in-progress		6,082,970	862,475
		1,140,795,687	1,201,014,475
(b) Non-current investments	13	81,584,311	90,629,272
(c) Long-term loans and advances	14	81,425,698	50,502,760
(d) Other non-current assets	15	-	10,806,663
		163,010,009	151,938,695
Current assets			
(a) Inventories	16	1,049,691,051	718,536,817
(b) Trade receivables	17	798,019,660	595,317,830
(c) Cash and cash equivalents	18	36,899,749	35,899,786
(d) Short-term loans and advances	19	90,912,673	150,554,529
(e) Other current assets	20	2,907,524	608,574
		1,978,430,657	1,500,917,536
TOTAL ASSETS		3,282,236,353	2,853,870,706

See accompanying notes forming part of the standalone financial statements

1 to 45

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

S. Sundaresan

S. Sundaresan
Partner



Place: Bangalore

Date: *July 31, 2018*

For and on behalf of the Board of Directors

[Signature]

Director

[Signature]

Director

[Signature]

Chief Financial Officer

[Signature]

Company Secretary

Place: Bangalore

Date: *July 26, 2018*

STOVE KRAFT PRIVATE LIMITED
STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Note No.	For the year ended March 31st 2018 ₹	For the year ended March 31st 2017 ₹
REVENUE			
Revenue from operations	21	5,429,069,647	5,320,741,077
Less: Excise duty		(53,332,947)	(215,488,904)
Revenue from operations (net)		5,375,736,700	5,105,252,173
Other income	22	52,225,412	26,794,338
Total revenue		5,427,962,112	5,132,046,511
EXPENSES			
Cost of materials consumed	23	2,476,811,047	2,739,469,568
Purchase of stock in trade	24	1,203,261,202	833,734,510
Changes in inventories of finished goods, work-in-progress and stock-in-trade, (increase)/ decrease	25	(85,204,602)	(111,182,092)
Employee benefits expense	26	589,121,790	514,926,514
Finance costs	27	168,904,524	149,597,364
Depreciation and amortisation expense	12	116,593,946	114,778,073
Other expenses	28	929,118,152	880,095,671
Total expenses		5,398,606,059	5,121,419,608
(Loss)/ Profit before tax		29,356,053	10,626,903
Tax expense			
(a) Current tax expense for current year		-	-
(b) Reversal of excess provision for tax pertaining to previous years		-	(852,375)
Profit / (Loss) for the year		29,356,053	11,479,278
Earnings per share (of ₹ 10/- each)	34		
Basic		1.55	0.61
Diluted		0.92	0.36

See accompanying notes forming part of the standalone financial statements

1 to 45

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

S. Sundaresan

S. Sundaresan
Partner



Place: Bangalore
Date: *July 31, 2018*

For and on behalf of the Board of Directors

[Signature]

Director

[Signature]

Director

[Signature]

Chief Financial Officer

[Signature]

Company Secretary

Place: Bangalore
Date: *July 26, 2018*

STOVE KRAFT PRIVATE LIMITED
STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Particulars	For the year ended March 31st 2018 ₹	For the year ended March 31st 2017 ₹
A. Cash Flow from operating activities		
Net Profit / (Loss) before taxation	29,356,053	10,626,903
Adjustments for :		
Depreciation	116,593,946	114,778,073
Provision for doubtful trade and other receivables, loans and advances and bad debts written off (net)	45,239,610	4,891,435
Liability no more required written back	(41,845,182)	(8,431,648)
Interest on deposit with bank	(1,775,210)	(2,624,722)
(Profit) / loss on sale of fixed assets	1,023,900	(1,456,937)
(Profit)/ loss from partnership firm	14,628,920	7,113,487
Finance cost	152,890,115	134,673,857
Net unrealised exchange (gain) / loss	2,968,003	(5,072,141)
Operating cash profit before changes in working capital	319,080,155	254,498,307
Changes in working capital		
<u>Adjustment for (increase)/ decrease in operating assets :</u>		
Long-term loans and advances	(30,922,938)	(2,511,067)
Inventory	(331,154,234)	(23,781,560)
Trade receivables	(247,895,319)	(101,368,789)
Short-term loans and advances	59,641,856	(60,273,704)
	(550,330,635)	(187,935,120)
<u>Adjustment for increase/ (decrease) in operating liabilities:</u>		
Other long term liabilities	(20,774,916)	61,033,246
Long term provision	4,097,148	7,274,821
Trade payables	426,322,853	181,891,676
Other current liabilities	(95,110,712)	8,807,168
Short-term provisions	6,190,210	(2,191,611)
	320,724,583	256,815,300
Cash generated from operations	89,474,103	323,378,487
Net income taxes (paid) / refund received	-	-
Net cash flow from operating activities (A)	89,474,103	323,378,487
B. Cash Flows from investing activities		
Capital expenditure on fixed assets (including capital advance)	(58,574,058)	(69,243,278)
Proceeds from sale of fixed assets	1,175,000	1,145,594
Interest received on bank deposits	1,952,037	3,051,540
Drawings from partnership firms / (Investment) in partnership firms	(5,583,959)	(15,932,893)
Movement of Margin money deposit with banks (net)	(2,578,637)	17,935,648
Net cash flow from investing activities (B)	(63,609,617)	(63,043,389)
C. Cash flows from Financing activities		
Repayment of long term borrowings	97,722,723	(53,447,056)
Net increase / (decrease) in working capital borrowings	26,770,805	(69,478,493)
Finance cost	(151,936,688)	(134,652,568)
Net Cash flow from financing activities (C)	(27,443,160)	(257,578,117)
Net (decrease) / increase in cash & cash equivalents (A+B+C)	(1,578,674)	2,756,981
Cash and Cash Equivalents at beginning of the year	4,983,144	2,226,163
Cash and Cash Equivalents at the end of the year	3,404,470	4,983,144



STOVE KRAFT PRIVATE LIMITED
STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Particulars	For the year ended March 31st 2018 ₹	For the year ended March 31st 2017 ₹
Reconciliation of Cash and cash equivalents with the Standalone Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer note 18)	36,899,749	35,899,786
Less: Bank balances not considered as Cash and cash equivalents (as defined in AS 3 Cash Flow Statements):		
- Balances with bank in earmarked accounts held as margin money	(33,495,279)	(30,916,642)
Cash and cash equivalents at the end of the year*	3,404,470	4,983,144
* Comprises:		
(a) Cash on hand	660,289	257,198
(b) Balances with banks:		
- in current accounts	2,744,181	4,725,946
Total	3,404,470	4,983,144

See accompanying notes forming part of the standalone financial statements 1- 45

In terms of our report attached,
For Deloitte Haskins & Sells
Chartered Accountants


S. Sundaresan
Partner



Place: Bangalore

Date: July 31, 2018

For and on behalf of the Board of Directors


Director


Chief Financial Officer


Director


Company Secretary

Place: Bangalore

Date: July 26, 2018

STOVE KRAFT PRIVATE LIMITED
Notes forming part of the standalone financial statements

Note
No.

1 Corporation information

Stove Kraft Private Limited (the 'Company' / 'SKPL') is a leading manufacturer of pressure cookers, LPG stoves, non-stick cookware, wick stoves and trader of other kitchen and electrical appliances under the brand name "Pigeon" and "Gilma".

2 Significant accounting policies

2.1 Basis of accounting and preparation of standalone financial statements

The standalone financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The standalone financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the standalone financial statements are consistent with those followed in the previous year

2.2 Use of estimates

The preparation of the standalone financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the standalone financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Inventories

Inventories are valued at the lower of cost (cost is ascertained on weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads.

2.4 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.5 Cash and cash equivalents (for purposes of Standalone Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.6 Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. Individual assets costing less than Rs.5,000/- are depreciated in full in the year of purchase.

Asset	Useful life in years
Lease Hold Improvements	Over the lease period

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Asset	Useful life in years
Technical know how	5
Computer Software	6



STOVE KRAFT PRIVATE LIMITED

Notes forming part of the standalone financial statements

Note
No.

2.7 Revenue recognition

- (a) Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

Excise duty on sale of products is reduced from such sale. Excise duty relating to the difference between opening stock and closing stock of finished goods is recognised as income/ expense as the case may be, separately in the Standalone Statement of Profit and Loss.

- (b) Interest income on deposits with banks is accounted on accrual basis.
- (c) Export incentives / benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

2.8 Fixed Assets (Tangible / Intangible)

Fixed assets, are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till the project is ready for its intended use.

Capital work-in-progress

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.9 Foreign currency transactions

Initial recognition: Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date: Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Standalone Statement of Profit and Loss.

Exchange difference on long-term foreign currency monetary items:

The exchange differences arising on settlement / restatement of long-term foreign currency monetary items relating to acquisition of depreciable fixed assets are capitalised as part of the fixed assets and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Standalone Statement of Profit and Loss. The unamortised exchange difference is carried in the Standalone Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.

2.10 Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

Investment in the fixed capital of a partnership firm is accounted at cost in Partner's capital account and the share of profit / losses in the partnership firm is credited / debited to Partner's current account.



STOVE KRAFT PRIVATE LIMITED

Notes forming part of the standalone financial statements

Note
No.

2.11 Employee benefits

- (a) Employee benefits include provident fund, gratuity fund, and compensated absences.
- (b) Defined contribution plans:

The Company's contribution to provident fund is considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

- (c) Defined benefit plans:

For defined benefit plans in the form of gratuity (unfunded), the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Standalone Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Standalone Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

- (d) Short-term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

2.12 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Standalone Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Standalone Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.13 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".



STOVE KRAFT PRIVATE LIMITED
Notes forming part of the standalone financial statements

Note
No.

2.14 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Standalone Statement of Profit and Loss on a straight-line basis over the lease term.

2.15 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.16 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Standalone Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Standalone Statement of Profit and Loss.



STOVE KRAFT PRIVATE LIMITED

Notes forming part of the standalone financial statements

Note
No.

2.17 Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Standalone Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Standalone Statement of Profit and Loss, to the extent the amount was previously charged to the Standalone Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

2.18 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the standalone balance sheet date. These are reviewed at each standalone balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the standalone financial statements.

2.19 Provision for warranty

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise - being typically upto seven years.

As per the terms of the contracts, the Company provides post-contract services / warranty support to some of its customers. The Company accounts for the post-contract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates.

2.20 Derivative contracts

The Company enters into derivative contracts in the nature of foreign currency swaps, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions in foreign currency. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign currency transactions and translations.

All other derivative contracts are marked-to-market and losses are recognised in the Standalone Statement of Profit and Loss.

2.21 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



STOVE KRAFT PRIVATE LIMITED

Notes forming part of the standalone financial statements

Note
No.

3 Share capital

Particulars	As at March 31st 2018		As at March 31st 2017	
	No. of Shares	₹	No. of Shares	₹
(a) Authorised				
Equity shares of Rs. 10/- each	19,999,995	199,999,950	19,999,995	199,999,950
Class A Equity shares of Rs. 10/- each	10	100	10	100
Total	20,000,005	200,000,050	20,000,005	200,000,050
(b) Issued, subscribed and fully paid-up				
Equity share of Rs. 10/- each	18,900,100	189,001,000	18,900,100	189,001,000
Class A Equity shares of Rs. 10/- each	10	100	10	100
Total	18,900,110	189,001,100	18,900,110	189,001,100

3(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31st 2018		As at March 31st 2017	
	No. of Shares	₹	No. of Shares	₹
Equity shares of Rs. 10/- each				
Opening balance	18,900,100	189,001,000	18,900,100	189,001,000
Issued/(redeemed) during year	-	-	-	-
Closing balance	18,900,100	189,001,000	18,900,100	189,001,000
Class A Equity shares of Rs. 10/- each				
Opening balance	10	100	10	100
Issued/(redeemed) during year	-	-	-	-
Closing balance	10	100	10	100

3(ii) Terms/rights attached to:

Equity share holders:

The holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution to all other parties concerned. The distribution will be in proportion to number of equity shares held by the shareholders.

Class A Equity share holders:

Class A equity shares are held by SCI Growth Investments ('Sequoia'). The voting rights of Sequoia in relation to the Class A equity share at every resolution placed before the shareholders of the Company at any General Meetings of the Company shall be equal to 43.36%. In the event the Board declares dividend, then the additional interest on the outstanding Compulsory Convertible Debentures (CCD's) (which have not been converted) shall be equal to the dividend declared and calculated based on the number of Equity Shares to be issued to Sequoia on conversion of the CCD's (Refer note 5(a) below).

3(iii) Details of shares held by each shareholder holding 5% or more shares:

Particulars	As at March 31st 2018		As at March 31st 2017	
	No. of Shares	%	No. of Shares	%
Equity share of Rs. 10/- each				
Rajendra J Gandhi	18,184,622	96%	18,184,622	96%
Class A Equity share of Rs. 10/- each				
SCI Growth Investments Holdings I	5	50%	5	50%
SCI Growth Investments II	5	50%	5	50%



STOVE KRAFT PRIVATE LIMITED
Notes forming part of the standalone financial statements

Note
No.

4 Reserve and surplus

Particulars	As at March 31st 2018	As at March 31st 2017
	₹	₹
(b) Capital Reserves		
Opening balance	352,836	352,836
Closing balance	352,836	352,836
(a) Securities premium account		
Opening balance	1,232,795,815	1,232,795,815
Closing balance	1,232,795,815	1,232,795,815
(c) Hedging reserve		
Opening balance	4,758,413	11,756,462
Add : Effect of foreign exchange rate variation on hedging instruments outstanding at the end of the year	(3,543,661)	(6,998,049)
Closing balance (Refer Note 5(i))	1,214,752	4,758,413
(d) Surplus/(deficit) in Standalone Statement of Profit & Loss		
Opening balance	(1,032,936,838)	(1,044,416,116)
Add: (Loss) / Profit for the year	29,356,053	11,479,278
Closing balance	(1,003,580,785)	(1,032,936,838)
Total	230,782,618	204,970,226



STOVE KRAFT PRIVATE LIMITED
Notes forming part of the standalone financial statements

Note
No.

5 Long-term borrowings

Particulars	As at March 31st 2018	As at March 31st 2017
	₹	₹
Secured		
Term loan from bank (Refer note (iv) below)	106,250,000	16,209,650
Vehicle Loan (Refer note (iii) below)	7,956,692	5,061,544
Unsecured		
(a) Debentures:		
- 12,661,812 (Previous year 12,661,812) Compulsory Convertible Debentures (Series B CCD) of Rs. 10/- each (Refer note (ii) below)	126,618,120	126,618,120
Total	240,824,812	147,889,314

Note: Details of terms and conditions of long-term borrowings:

- (i) The Company has borrowed USD 4,000,000 long-term loan from a bank, for the purpose of expansion and modernization. Rate of interest is 3 months LIBOR + 3.5% and repayable in 16 equal quarterly instalments. Number of installments remaining as at March 31, 2018 is one amounting to Rs. 16,261,025/- , which is grouped under current maturities.

Security: First exclusive equitable mortgage of the immovable property (both present and future) of the Company and hypothecation of the movable property (both present and future) of the Company and personal guarantee of Mr. Rajendra J Gandhi (Managing Director) and Mrs. Sunitha Gandhi.

The Company has entered into 'Cross-Currency Rate Swap' arrangement (Swap arrangement) for payment of interest and repayment of above mentioned long-term loan. As per the Swap arrangement, on the above long-term loan the Company will be paying interest at fixed rate and receiving interest at floating rate. The terms of Swap arrangement is from June 27, 2013 to June 27, 2018. The loan has been subsequently repaid in June 2018.

- (ii) 12,661,812 (Previous year 12,661,812) Series B CCD of Rs. 10/- each: The following are the terms of the issue:

Interest: The holders of the Series B CCD shall be entitled to receive interest at a coupon rate of 0.0000001% per annum.

Dividends rights: Until conversion of all Series B CCD into Equity Shares, in the event the Board declares dividend, then such additional interest shall be payable on the outstanding Series B CCD (which have not been converted) which shall be equal to the dividend declared and calculated based on the number of Equity Shares to be issued to the holders of Series B CCD on conversion of the outstanding Series B CCD.

Conversion: In accordance with the terms and conditions agreed with holders of Series B CCD, each Series B CCD is either (a) compulsorily convertible into equity shares of the Company , at any time after the closing date into such number of fully paid shares as is determined by the conversion ratio and at a price defined in the Investment Agreement or (b) compulsorily convert into equity shares of the Company upon the earlier of the proposed filing of the draft red herring prospectus in connection with the Qualified IPO by the Company or the date as mentioned in the Investment Agreement.

Exit to Series B CCD holders: At any time after the expiry of the fourth anniversary from the closing date, the Company, the Promoters and the Investors shall cause a transaction that would give liquidity to Series B CCD holders investment in the Company ('Exit Option'). At any time after the expiry of the fourth anniversary from the closing date the Company, the Promoters and the Series B CCD holders shall jointly determine to provide one or more of the below mentioned Exit Options:

- (a) The Company shall conduct the Qualified IPO; or
(b) The Company shall buy back, some or all outstanding Series B CCD's; or
(c) The holders Series B CCD's shall be entitled to transfer the Series B CCD's to a third party.

As there is uncertainty on whether the holders of Series B CCD's would seek conversion of Series B CCD's or would seek one or more of the Exit Options, premium payable at the time of Exit Option has not been provided and has been disclosed as contingent liability.

- (iii) The Company had borrowed Rs.10,000,000 towards vehicle loan from BMW Financial Services. Rate of interest is 9.11% per annum which is repayable in 36 equal monthly instalments. Number of installments remaining as at March 31, 2018 is 17. Security: exclusive hypothecation on the vehicle.

The Company had borrowed Rs.8,120,000 towards vehicle loan from BMW Financial Services in the current year. Rate of interest is 8.51% per annum which is repayable in 60 equal monthly instalments. Number of installments remaining as at March 31, 2018 is 57. Security: exclusive hypothecation on the vehicle.

- (iv) The Company had taken the term loan from South Indian Bank (SIB) of Rs. 125,000,000 during the current year. Rate of interest is 12 month MCLR+2% spread which is subject to yearly reset which is repayable in 60 equal instalments. Repayment of term loan obtained from SIB starts from July 2018. Security: equitable mortgage of vacant industrial land of the company located at Ramanagara and personal guarantee of Mr. Rajendra Gandhi, Mrs Sunitha Gandhi and Ms. Neha Gandhi.



STOVE KRAFT PRIVATE LIMITED
Notes forming part of the standalone financial statements

Note
No.

6 Other long-term liabilities

Particulars	As at March 31st 2018	As at March 31st 2017
	₹	₹
Security deposits received	148,265,696	169,040,612
Total	148,265,696	169,040,612

7 Long-term provisions

Particulars	As at March 31st 2018	As at March 31st 2017
	₹	₹
Provision for employee benefits:		
- Gratuity (Refer note 30)	30,502,706	27,170,539
Provision for warranties (Refer note 36)	6,033,655	5,268,674
Total	36,536,361	32,439,213

8 Short-term borrowings

Particulars	As at March 31st 2018	As at March 31st 2017
	₹	₹
Secured loans repayable on demand:		
- From banks (Refer note (i) below)	809,576,548	781,189,417
Total	809,576,548	781,189,417

Note:

- (i) Secured loans repayable on demand from banks are in the nature of working capital loans which are secured by way of hypothecation of inventory, receivables and other current assets, charge over fixed assets of the Company along with equitable mortgage of immovable properties. Loans repayable on demand from banks is also secured by personal guarantee of the Mr. Rajendra Gandhi (director) and Mrs. Sunita Gandhi.

9 Trade payables

Particulars	As at March 31st 2018	As at March 31st 2017
	₹	₹
Trade payables:		
- Other than acceptances		
(A) total outstanding dues to micro enterprises and small enterprises (Refer note 35);	40,278,259	8,085,851
(B) total outstanding dues to creditors other than micro enterprises and small enterprises	1,441,903,811	1,088,220,750
Total	1,482,182,070	1,096,306,601

10 Other current liabilities

Particulars	As at March 31st 2018	As at March 31st 2017
	₹	₹
Current maturities of long-term borrowings:		
- Term loan from banks (Refer note (i) and (iv) of Note 5)	35,011,025	64,838,600
- Vehicle Loan (Refer note (iii) of Note 5)	4,895,312	3,201,034
Other payables:		
- Statutory remittances	14,716,742	40,181,431
- Payable on purchase of fixed assets	7,001,095	13,642,373
- Advance from customers	9,063,104	18,996,428
- Interest Payable on security deposits	17,175,620	13,410,647
- Interest accrued but not due on borrowings	1,991,286	1,037,859
- Security deposits received	39,134,341	-
- Provision for indirect taxes	-	67,837,438
Total	128,988,525	223,145,810

11 Short-term provisions

Particulars	As at March 31st 2018	As at March 31st 2017
	₹	₹
Provision for employee benefits:		
- Compensated absences	4,803,549	4,674,733
- Gratuity (Refer note 30)	4,072,099	1,283,745
Provision others:		
- For warranty (Refer note 36)	7,202,975	3,929,935
Total	16,078,623	9,888,413



STOVE KRAFT PRIVATE LIMITED

Notes forming part of the standalone financial statements

Note 12: Fixed assets

Particulars	Gross block				Accumulated depreciation			Net block	
	Balance as at 01-Apr-17	Additions	Disposals	Balance as at 31-Mar-18	Balance as at 01-Apr-17	Depreciation for the year	Eliminated on disposal of assets	Balance as at 31-Mar-18	Balance as at 31-Mar-17
Tangible assets:									
Land	158,537,146 (158,052,896)	- (484,250)	- (484,250)	158,537,146 (158,537,146)	- (158,537,146)	- (158,537,146)	- (158,537,146)	158,537,146 (158,537,146)	158,537,146 (158,052,896)
Buildings	441,668,007 (424,681,989)	1,082,798 (16,986,018)	- (16,986,018)	442,750,805 (441,668,007)	60,633,908 (46,436,485)	14,698,595 (14,197,423)	- (60,633,908)	367,118,302 (378,245,504)	381,034,099 (378,245,504)
Plant and machinery	816,621,654 (793,140,916)	36,588,482 (24,660,565)	8,668,302 (1,179,827)	844,541,834 (816,621,654)	269,547,687 (203,521,452)	66,495,737 (66,415,467)	5,403,604 (389,232)	513,902,014 (547,073,967)	547,073,967 (589,619,464)
Furniture and fixtures	26,906,393 (24,459,816)	201,274 (2,446,577)	396,708 (396,708)	26,710,959 (26,906,393)	8,397,593 (5,846,975)	2,645,905 (2,530,618)	374,547 (374,547)	16,042,008 (18,508,800)	18,508,800 (18,612,841)
Leasehold improvements	119,340,053 (115,602,643)	2,571,623 (3,737,410)	- (3,737,410)	121,911,676 (119,340,053)	112,451,954 (108,959,885)	2,545,046 (3,492,069)	- (3,492,069)	114,997,000 (112,451,954)	6,888,099 (6,642,758)
Computers	21,307,519 (18,873,307)	675,636 (4,479,938)	77,971 (2,045,726)	21,905,184 (21,307,519)	13,140,473 (11,861,009)	3,962,845 (3,152,334)	77,971 (1,872,870)	4,879,837 (8,167,046)	8,167,046 (7,012,298)
Office equipments	21,821,373 (20,359,289)	1,917,030 (1,462,084)	- (1,462,084)	23,738,403 (21,821,373)	11,350,445 (8,430,903)	3,230,202 (2,919,542)	- (2,919,542)	14,580,647 (11,350,445)	10,470,928 (11,928,386)
Vehicles	39,420,279 (26,376,349)	10,172,784 (13,581,611)	293,072 (537,681)	49,299,991 (39,420,279)	25,015,216 (23,233,173)	2,662,667 (2,137,581)	247,268 (355,538)	21,869,376 (14,405,063)	14,405,063 (3,143,176)
Total (A)	1,645,622,424 (1,581,547,205)	53,209,627 (67,838,453)	9,436,053 (3,763,234)	1,689,395,998 (1,645,022,424)	500,537,276 (408,289,882)	96,240,997 (94,865,034)	6,103,390 (2,617,640)	590,674,883 (500,537,276)	1,098,721,115 (1,145,085,148)
<i>Previous Year</i>									
Intangible assets:									
Computer software	16,067,923 (12,419,672)	1,277,700 (3,648,251)	- (3,648,251)	17,345,623 (16,067,923)	8,141,679 (5,688,899)	2,887,659 (2,452,780)	- (8,141,679)	6,316,285 (7,926,244)	7,926,244 (6,730,773)
Technical know how	87,376,583 (87,141,774)	- (234,809)	- (234,809)	87,376,583 (87,376,583)	40,235,975 (22,775,716)	17,465,291 (17,460,259)	- (17,460,259)	29,675,317 (47,140,608)	47,140,608 (64,366,058)
Total (B)	103,444,506 (99,561,446)	1,277,700 (3,883,060)	- (3,883,060)	104,722,206 (103,444,506)	48,377,654 (28,464,615)	20,352,950 (19,913,039)	- (19,913,039)	68,730,604 (48,377,654)	55,066,852 (71,096,831)
<i>Previous Year</i>									
Total (A+B)	1,749,066,930 (1,681,108,651)	54,487,327 (71,721,513)	9,436,053 (3,763,234)	1,794,118,204 (1,749,066,930)	548,914,930 (436,754,497)	116,593,946 (114,778,073)	6,103,390 (2,617,640)	659,405,487 (548,914,930)	1,200,152,000 (1,244,354,154)
<i>Previous Year</i>									
Capital work-in-progress									862,475 (1,244,354,154)
<i>Previous Year</i>									

Note:

The above mentioned tangible and intangible assets are owned and used by the Company and its employees. Figures mentioned in brackets relates to previous year.



STOVE KRAFT PRIVATE LIMITED
Notes forming part of the standalone financial statements

Note
No.

13 Non-current investments

Particulars	As at March 31st 2018	As at March 31st 2017
	₹	₹
Investments (At cost): Other than traded and unquoted		
(a) In Government securities	10,000	10,000
	10,000	10,000
(b) In equity instruments of:		
- 7,500 (Previous year 7,500) Equity shares of Rs. 10/- each fully paid up in Pigeon Appliances Private Limited	75,000	75,000
Less: Provision for diminution in value of investment (Refer note (i) below)	(75,000)	(75,000)
- 10,800 (Previous year 10,800) Equity shares of Rs. 10/- each fully paid up in Vyshali Energy Private Limited	108,000	108,000
(d) In partnership firm (Refer note (ii) below):		
- Capital account	155,154,260	137,440,194
- Current account	(73,687,949)	(46,928,922)
	81,466,311	90,511,272
Total	81,584,311	90,629,272

Note:

- (i) The Company had invested a sum of Rs. 75,000 for 37.5% paid-up equity share capital of Pigeon Appliances Private Limited (PAPL). The business operations of PAPL is controlled by the majority shareholders of PAPL. During the previous year, the Company had noted certain irregularities in the business operations of PAPL and use of trademarks registered in the name of the Company, without the consent of SKPL. The Company had initiated legal action against PAPL for irregularities noted in the business operations and unauthorized use of trademarks. On prudence basis, provision for non-current investments in equity share capital of PAPL had been made.

- (ii) Name of the partnership firm where the Company has invested: Stovekraft India, Baddi, Himachal Pradesh.

Name of the partners	Partner's Capital		Profit Sharing Ratio	
	As at March 31st 2018	As at March 31st 2017	As at March 31st 2018	As at March 31st 2017
	₹	₹		
Stove Kraft Private Limited (SKPL)	155,154,260	155,154,260	99%	99%
Total	155,154,260	155,154,260	99%	99%

- Name of the partnership firm where the Company has invested: Saya Industries, Baddi, Himachal Pradesh.

Name of the partners	Partner's Capital		Profit Sharing Ratio	
	As at March 31st 2018	As at March 31st 2017	As at March 31st 2018	As at March 31st 2017
	₹	₹		
Stove Kraft Private Limited (SKPL) (Refer Note below)	-	(17,714,066)	-	95%
Total	-	(17,714,066)	-	95%

Note : As per dissolution deed, Saya Industries stands dissolved w.e.f. March 31st, 2018.



STOVE KRAFT PRIVATE LIMITED
Notes forming part of the standalone financial statements

Note
No.

14 Long-term loans and advances

Particulars	As at March 31st 2018	As at March 31st 2017
	₹	₹
(Unsecured considered good unless otherwise stated)		
(a) Capital advances		
Unsecured, considered good	10,344,717	9,481,866
Doubtful	2,604,788	3,015,538
Less: Provision for doubtful advance	(2,604,788)	(3,015,538)
	10,344,717	9,481,866
(b) Security deposits		
Unsecured, considered good	38,304,095	26,750,987
Doubtful	1,175,000	1,175,000
Less: Provision for doubtful advance	(1,175,000)	(1,175,000)
	38,304,095	26,750,987
(c) Advance income tax (net)	2,360,435	1,999,376
(d) Tax paid under protest	11,037,349	9,209,270
(e) Balance with government authorities		
Unsecured, considered good	18,189,404	3,061,261
Doubtful	11,813,533	19,313,533
Less: Provision for doubtful advance	(11,813,533)	(19,313,533)
	18,189,404	3,061,261
(f) Prepaid Expenses	1,189,698	-
Total	81,425,698	50,502,760

15 Other non-current asset

Particulars	As at March 31st 2018	As at March 31st 2017
	₹	₹
MTM receivable on derivatives (Refer note 5 (i))	-	10,806,663
Total	-	10,806,663



STOVE KRAFT PRIVATE LIMITED
Notes forming part of the standalone financial statements

Note
No.

16 Inventories

Particulars	As at March 31st 2018	As at March 31st 2017
	₹	₹
(a) Raw materials, components and packing materials	465,153,443	300,319,763
- Raw material-in-transit	81,115,952	-
(b) Work-in-progress (Refer note (i) below)	588,388	94,550
(c) Finished goods (other than those acquired for trading) (Refer note (ii) below)	157,703,383	149,973,069
(d) Stock-in-trade (acquired for trading) (Refer note (iii) below)	244,628,127	228,745,970
- Goods-in-transit (acquired for trading)	100,501,758	39,403,465
Total	1,049,691,051	718,536,817

Note:

(i) **Details of work-in-progress:**

Particulars	As at March 31st 2018	As at March 31st 2017
	₹	₹
Kitchen Appliances	588,388	94,550
Total	588,388	94,550

(ii) **Details of finished goods**

Particulars	As at March 31st 2018	As at March 31st 2017
	₹	₹
Kitchen Appliances	154,935,487	149,840,746
Home Appliances	2,767,896	132,323
Total	157,703,383	149,973,069

(iii) **Details of stock-in-trade**

Particulars	As at March 31st 2018	As at March 31st 2017
	₹	₹
Kitchen Appliances	160,471,647	116,182,910
Home Appliances	184,658,238	151,966,525
Total	345,129,885	268,149,435

17 Trade receivables

Particulars	As at March 31st 2018	As at March 31st 2017
	₹	₹
Trade receivables outstanding for a period exceeding six months from the date they were due for payment:		
- Unsecured, considered good	16,815,332	11,978,602
- Doubtful	124,362,152	94,578,550
	141,177,484	106,557,152
Other trade receivables:		
- Unsecured, considered good	781,204,328	583,339,228
	781,204,328	583,339,228
Provision for bad and doubtful receivables	(124,362,152)	(94,578,550)
Total	798,019,660	595,317,830



STOVE KRAFT PRIVATE LIMITED
Notes forming part of the standalone financial statements

Note
No.

18 Cash and cash equivalents

Particulars	As at March 31st 2018	As at March 31st 2017
	₹	₹
(a) Cash on hand	660,289	257,198
(b) Balances with banks:		
- in current accounts	2,744,181	4,725,946
- in earmarked accounts: balance held as margin money (Refer note (i) below)	33,495,279	30,916,642
Total	36,899,749	35,899,786
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS-3 Cash Flow Statements	3,404,470	4,983,144

Note:

- (i) Balances in earmarked accounts represent margin money deposits for non-fund based limits with banks, which are available for use to settle a liability for not more than 12 months from the Standalone Balance Sheet date.

19 Short-term loans and advances

Particulars	As at March 31st 2018	As at March 31st 2017
	₹	₹
Unsecured, considered good unless otherwise stated		
(a) Advances to related parties (Refer note 32)	-	55,353,421
(b) Loans and advances to employees	266,273	684,580
(c) Prepaid expenses	10,251,365	6,007,478
(d) Balance with government authorities	43,186,209	16,714,856
(e) Advances to suppliers / service providers		
Unsecured, considered good	37,208,826	71,794,194
Doubtful	55,180,606	45,250,127
Less: Provision for doubtful advance	(55,180,606)	(45,250,127)
Sub Total (e)	37,208,826	71,794,194
Total	90,912,673	150,554,529

20 Other current assets

Particulars	As at March 31st 2018	As at March 31st 2017
	₹	₹
Unsecured, considered good		
Interest accrued on deposit with banks	431,747	608,574
MTM receivable on derivatives (Refer note 5 (i))	2,475,777	-
Total	2,907,524	608,574



STOVE KRAFT PRIVATE LIMITED
Notes forming part of the standalone financial statements

Note
No.

21 Revenue from operations

Particulars	For the year ended March 31st 2018	For the year ended March 31st 2017
	₹	₹
Sale of products (including excise duty) (Refer note (i) below)	5,336,379,262	5,237,840,317
Other operating revenue:		
- Sale of scrap	82,468,142	73,112,145
- Duty drawback	6,976,729	9,788,615
- Development income	3,245,514	-
	5,429,069,647	5,320,741,077
Less: Excise duty	(53,332,947)	(215,488,904)
Total	5,375,736,700	5,105,252,173

Note:

(i) Sale of products include :

Particulars	For the year ended March 31st 2018	For the year ended March 31st 2017
	₹	₹
a) Manufactured product sales		
Kitchen Appliances	3,623,880,494	3,944,914,480
Home Appliances	4,432,177	-
Excise duty on the above	53,332,947	215,488,904
Total	3,681,645,618	4,160,403,384
b) Traded product sales		
Kitchen Appliances	1,163,424,724	791,477,471
Home Appliances	491,308,920	285,959,462
Total	1,654,733,644	1,077,436,933
Gross Total	5,336,379,262	5,237,840,317

22 Other income

Particulars	For the year ended March 31st 2018	For the year ended March 31st 2017
	₹	₹
(a) Interest income (Refer note (i) below):	3,418,976	4,215,017
(b) Profit on sale of fixed assets	-	1,456,937
(c) Liability no more required written back	41,845,182	8,431,648
(d) Net gain on foreign currency transactions and translation	894,911	1,403,674
(e) Bad debts recovered	-	8,147,701
(f) Miscellaneous income	6,066,343	3,139,361
Total	52,225,412	26,794,338
Note		
(i) Interest income comprises:		
- Interest from banks on deposits	1,775,210	2,624,722
- Interest on income tax refund	-	30,725
- Interest on trade receivables	1,643,766	1,559,570
Total	3,418,976	4,215,017



STOVE KRAFT PRIVATE LIMITED
Notes forming part of the standalone financial statements

Note
No.

23 Cost of materials consumed

Particulars	For the year ended March 31st 2018	For the year ended March 31st 2017
	₹	₹
Opening stock	300,319,763	387,720,295
Add: Purchases	2,722,760,679	2,652,069,036
	3,023,080,442	3,039,789,331
Less: Closing stock	(546,269,395)	(300,319,763)
Total	2,476,811,047	2,739,469,568

Note:

Details of material consumed

Particulars	For the year ended March 31st 2018	For the year ended March 31st 2017
	₹	₹
Aluminium	626,882,854	538,697,769
Steel	300,199,490	257,691,464
Others (Refer note (i) below)	1,549,728,703	1,943,080,335
Total	2,476,811,047	2,739,469,568

Note (i): Raw materials, components and packing materials consumed which individually are in excess of 10% of the total consumption is disclosed separately and the balance is grouped under Others.

24 Purchase of stock-in-trade

Particulars	For the year ended March 31st 2018	For the year ended March 31st 2017
	₹	₹
Purchase of traded goods	1,203,261,202	833,734,510
Total	1,203,261,202	833,734,510

Details of purchase of stock-in-trade

Particulars	For the year ended March 31st 2018	For the year ended March 31st 2017
	₹	₹
Kitchen Appliances	910,864,862	596,538,519
Home Appliances	292,396,340	237,195,991
Total	1,203,261,202	833,734,510

25 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31st 2018	For the year ended March 31st 2017
	₹	₹
Inventories at the end of the year:		
- Finished goods	157,703,383	149,973,069
- Work-in-progress	588,388	94,550
- Stock-in-trade	345,129,885	268,149,435
	503,421,656	418,217,054
Inventories at the beginning of the year:		
- Finished goods	149,973,069	158,168,526
- Work-in-progress	94,550	211,447
- Stock-in-trade	268,149,435	148,654,989
	418,217,054	307,034,962
(Increase) / decrease	(85,204,602)	(111,182,092)



STOVE KRAFT PRIVATE LIMITED
Notes forming part of the standalone financial statements

Note
No.

26 Employee benefit expenses

Particulars	For the year ended March 31st 2018	For the year ended March 31st 2017
	₹	₹
Salaries and wages	523,476,564	457,504,946
Contributions to provident and other funds (Refer Note 30.1)	27,407,532	23,259,087
Gratuity expense (Refer Note 30.2)	9,052,861	7,815,269
Staff welfare expenses	29,184,833	26,347,212
Total	589,121,790	514,926,514

27 Finance costs

Particulars	For the year ended March 31st 2018	For the year ended March 31st 2017
	₹	₹
Interest expense on:		
- Borrowings	126,676,130	114,899,920
- Interest paid to others	26,213,985	19,773,937
Other borrowing cost:		
- Bank and other processing charges	16,014,409	14,923,507
Total	168,904,524	149,597,364

28 Other expense

Particulars	For the year ended March 31st 2018	For the year ended March 31st 2017
	₹	₹
Job work charges	48,270,528	45,675,186
Power and fuel	54,212,433	53,503,153
Rent including lease rentals	15,018,277	11,100,047
Repairs and maintenance		
- Buildings	13,717,024	10,956,630
- Plant and machinery	20,539,056	23,115,037
- Others	2,914,393	3,682,057
Insurance	1,800,981	2,175,691
Rates and taxes	11,424,684	14,765,794
Communication	8,608,857	9,053,858
Travelling and conveyance	69,961,173	51,445,442
Printing and stationery	1,627,789	1,898,954
Freight and forwarding	195,659,073	163,991,035
Sales commission	114,852,336	148,688,199
Business Promotion & Advertisement Expenses	199,802,676	203,547,774
Cash discount	45,847,283	69,232,474
Legal and professional fees	31,656,290	32,832,087
Payment to auditors comprises (excluding service tax/ GST)		
- For statutory audit	2,250,000	2,160,000
- Out-of-pocket expense	418,424	250,000
Balance Written off / Provision for doubtful trade and other receivables, loans and advances (net)	45,239,610	4,891,435
Share of loss from investment in partnership firm (Refer note 13 (ii) above)	14,628,920	7,113,487
Increase/(decrease) in excise duty on inventory	-	816,939
Provision for warranty	10,324,492	5,835,352
Loss on fixed assets sold	1,023,900	-
Royalty Fees	3,943,444	-
Miscellaneous expenses (net)	15,376,509	13,365,040
Total	929,118,152	880,095,671



STOVE KRAFT PRIVATE LIMITED
Notes forming part of the standalone financial statements

Note
No.

29 Derivative instruments

The company has entered into forward exchange contracts, which are not intended for trading or speculative purposes, but for hedge purposes, to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.

(a) Outstanding forward exchange contracts as at 31st March, 2018 entered by the Company for the purpose of hedging its foreign currency exposures are as under:

Foreign Currency	Amount In Foreign Currency (USD)	Buy/Sell	Amount in ₹
NIL			

(b) Foreign currency exposures recognised by the Company that have not been hedged by a derivative instrument or otherwise are as under:

Particulars	As at March 31st 2018		As at March 31st 2017	
	Foreign Currency	₹	Foreign Currency	₹
Trade receivable	USD 597,067	38,835,702	USD 658,132 EURO 17,651	42,672,357 1,222,289
Advance paid to suppliers	USD 319,680	20,793,276	USD 1,861,965 EURO 27,584	120,727,228 1,910,156
Trade payable	USD 2,900,906	188,686,796	USD 1,074,045 EURO 780	69,639,545 54,006
Short term borrowings (including accrued interest)	USD 2,231,728	145,160,767	USD 2,159,336	140,008,354
Advance from customers	USD 10,350	673,206		

(c) Refer note 5(i) for details on Cross currency swap.

30 Employee benefit plans

30.1 Defined contribution plans

The Company makes Provident Fund contribution and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.27,407,532 /- (Year ended 31 March, 2017 Rs. 23,259,087/-) for Provident Fund contribution and Rs. 7,788,508/- (Year ended 31 March, 2017 Rs.6,926,436) for Employee State Insurance Scheme contributions in the Standalone Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

30.2 Defined benefit plans

The Company offers a gratuity benefit plan to its employees. The following tables sets out the un-funded status of the defined benefit plan and amount recognised in the standalone financial statements, as per the actuarial valuation report:



STOVE KRAFT PRIVATE LIMITED
Notes forming part of the standalone financial statements

Note
No.

Particulars		For the year ended	For the year ended		
		March 31st 2018	March 31st 2017		
		₹	₹		
I	Components of employer expense				
1	Current Service cost	7,990,097	7,610,258		
2	Interest cost	1,972,831	1,661,278		
3	Expected return on plan assets	-	-		
4	Curtailment cost/(credit)	-	-		
5	Settlement cost/(credit)	-	-		
6	Past service cost	844,817	-		
7	Actuarial losses/(gains)	(1,754,885)	(1,456,267)		
8	Total expense recognised in the Standalone Statement of Profit & Loss	9,052,860	7,815,269		
II	Actual Contribution and Benefits Payments				
1	Actual benefit payments	2,932,339	346,301		
2	Actual Contributions	-	-		
III	Net asset/(liability) recognised in standalone balance sheet				
1	Present value of Defined Benefit Obligation (DBO)	(34,574,805)	(28,454,285)		
2	Fair value of plan assets	-	-		
3	Funded status [Surplus/(Deficit)]	(34,574,805)	(28,454,285)		
4	Unrecognized Past Service Costs	-	-		
5	Net asset/(liability) recognised in standalone balance sheet	(34,574,805)	(28,454,285)		
	Current	(4,072,099)	(1,283,745)		
	Non-current	(30,502,706)	(27,170,539)		
	Total asset / (liability) recognised in the standalone balance sheet	(34,574,805)	(28,454,284)		
IV	Change in Defined Benefit Obligations				
1	Present Value of DBO at beginning of period	28,454,284	20,985,317		
2	Current Service cost	7,990,097	7,610,257		
3	Interest cost	1,972,831	1,661,278		
4	Curtailment cost/(credit)	-	-		
5	Settlement cost/(credit)	-	-		
6	Past service cost	844,817	-		
7	Acquisitions	-	-		
8	Actuarial (gains)/ losses	(1,754,885)	(1,456,267)		
9	Benefits paid	(2,932,339)	(346,301)		
10	Present Value of DBO at the end of period	34,574,805	28,454,284		
V	Change in Fair Value of Assets	Not applicable			
1	Plan assets at beginning of period	-	-		
2	Acquisition Adjustment	-	-		
3	Actual return on plan assets	-	-		
4	Actual Company contributions (less Risk Premium, ST)	-	-		
5	Actual Company contributions (direct settlement)	-	-		
6	Benefits paid	-	-		
7	Actuarial (gains)/ losses	-	-		
8	Plan assets at the end of period	-	-		
	Estimated of amount of contribution in the immediate next year	-	-		
Actuarial assumptions					
	Discount rate	7.31%	7.31%		
	Salary escalation	10.00%	7.00%		
	Attrition rate	18.00%	5.00%		
	Mortality	India Assured Lives (2006-08) Ultimate Mortality Table			
Five year data: (Amount in Rs.)					
Particulars	As at	As at	As at	As at	As at
	March 31st 2018	March 31st 2017	March 31st 2016	March 31st 2015	March 31st 2014
Defined Benefit Obligation	(34,574,805)	(28,454,284)	(20,985,317)	(18,436,930)	(13,396,972)
Plan Assets	-	-	-	-	-
Surplus / (Deficit)	(34,574,805)	(28,454,284)	(20,985,317)	(18,436,930)	(13,396,972)
Experience Adjustment on Plan Liabilities	(1,754,885)	(1,456,267)	(6,659,281)	(1,516,228)	(5,479,303)
Experience Adjustment on Plan Assets	-	-	-	-	-

Note:

Future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

31 Segment reporting

The Company is primarily engaged in the manufacturing and trading of kitchen and home appliances. In the opinion of the Management, the same represents a single business segment and no separate product wise reporting is considered necessary. Further, as the major concentration of the market is India and the presence in the rest of the world, in the opinion of the Management, is not significant for the year under reporting and hence no separate geographical segment disclosure has been made.



STOVE KRAFT PRIVATE LIMITED
Notes forming part of the standalone financial statements

Note
no.

32 Related party transactions

A. Details of related parties

Sl. No.	Name of the related party	Nature of relationship
1	Key managerial personnel (KMP): - Mr. Rajendra J. Gandhi - Ms. Neha Gandhi	Managing Director (MD) Daughter of MD and Director
2	Enterprises owned or significantly influenced by KMP or their relatives: - Pigeon Appliances Private Limited (PAPL) - Shinag Allied Enterprises Private Limited (SAEPL)	Company is shareholder and MD is director MD's brother's wife is a director
3	Investment in partnership firms: - Stovekraft India (SK India) - Saya Industries (SI)	Company and MD are partners in the Firm Company and MD are partners in the Firm
4	Relative of KMP - Mrs. Sunitha Gandhi	Wife of MD

B. Transactions with related parties

Particulars	Amount in ₹					
	KMP & Relative of KMP		Partnership Firm in which company is a partner		Enterprises owned or significantly influenced by KMP or their relatives:	
	For the year ended		For the year ended		For the year ended	
	March 31st 2018	March 31st 2017	March 31st 2018	March 31st 2017	March 31st 2018	March 31st 2017
Sales/(Sales Return):						
SI	-	-	-	-	-	-
SAEPL	-	-	-	-	7,217,747	2,817,596
Purchase:						
SAEPL	-	-	-	-	6,219,420	-
Others:						
SI	-	-	-	312,149	-	-
Expenses paid on behalf of related parties:						
SK India	-	-	4,111,045	-	-	-
Rent Expense:						
Mrs. Sunitha R Gandhi	600,000	600,000	-	-	-	-
SK India	880,000	-	-	-	-	-
Share of profit/(loss):						
SK India	-	-	(13,970,923)	(3,569,939)	-	-
SI	-	-	(657,997)	(3,543,548)	-	-
Managerial remuneration:						
Mr. Rajendra J Gandhi	8,725,408	8,150,003	-	-	-	-
Mrs. Sunitha R Gandhi	-	187,176	-	-	-	-
Ms. Neha Gandhi	2,010,092	1,784,892	-	-	-	-



STOVE KRAFT PRIVATE LIMITED
Notes forming part of the standalone financial statements

Note
no.

32 Related party transactions

C. Balances at the year end

Amount in ₹

Particulars	KMP & Relative of KMP		Partnership Firm		Enterprises owned or significantly influenced by KMP or their relatives:	
	As at		As at		As at	
	March 31st 2018	March 31st 2017	March 31st 2018	March 31st 2017	March 31st 2018	March 31st 2017
Advance recoverable						
Mr. Rajendra J Gandhi	-	55,041,272	-	-	-	-
SI	-	-	-	312,149	-	-
SK India	-	-	-	4,046,598	-	-
Trade & other payable						
PAPL	-	-	-	-	286,099	286,099
SAEPL	-	-	-	-	1,684,915	-
SK India	-	-	488,903	-	-	-
Trade receivables						
SAEPL	-	-	-	-	4,810,220	2,126,824
Remuneration payable						
Mr. Rajendra J Gandhi	596,657	389,263	-	-	-	-
Ms. Neha Gandhi	147,049	145,487	-	-	-	-
Rent Payable						
Mrs. Sunitha R Gandhi	50,000	600,000	-	-	-	-
SK India	-	-	880,000	-	-	-
Investments						
SK India	-	-	81,466,311	92,333,866	-	-
SI	-	-	-	(1,822,594)	-	-



STOVE KRAFT PRIVATE LIMITED
Notes forming part of the standalone financial statements

Note
No.

33 Lease

The Company has entered into operating lease arrangements for office premises and showrooms, which are cancellable at the option of the either party after giving prior notice. Lease payment recognized in the Standalone Statement of Profit and Loss against such operating lease arrangements is Rs.15,018,277 (Previous year Rs.11,100,047).

34 Earnings per share

Particulars	31-Mar-18	31-Mar-17
Basic		
Weighted average no. of equity shares outstanding	18,900,110	18,900,110
Par value per share (Rs.)	10.00	10.00
Net profit	29,356,053	11,479,278
Basic earning per shares (Rs.)	1.55	0.61
Diluted		
Weighted average no. of equity shares outstanding for Basic EPS	18,900,110	18,900,110
Add: Effect of Compulsory Convertible Debentures (CCD's) (Refer note 5 (i))	13,096,158	13,096,158
Weighted average number of equity shares - for Diluted EPS	31,996,268	31,996,268
Par value per share (Rs.)	10.00	10.00
Net profit attributable to the equity shareholders	29,356,053	11,479,278
Add: Interest on CCD's (Refer note 5 (i))	-	-
Profit attributable to equity shareholders (on dilution)	29,356,053	11,479,278
Diluted earning per shares (Rs.)	0.92	0.36

35 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	31-Mar-18	31-Mar-17
(i) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year;	35,898,001	7,212,176
(ii) interest due thereon remaining unpaid to any supplier as at the end of the accounting year	244,811	127,825
(iii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(iv) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	3,507,948	745,850
(v) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	4,626,434	873,675
(vi) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	2,750,359	192,089

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

36 Provisions

The Company has made provision for various contractual obligations based on its assessment of the amount it estimates to incur to meet such obligations against the sales made by the Company in the current and previous year, the details of which are given below:

Particulars	31-Mar-18	31-Mar-17
Warranty Provision	₹	₹
Opening balance	9,198,609	8,331,877
Additions during the year	10,324,492	5,835,352
Reversed / utilisation during the year	(6,286,471)	(4,968,620)
Closing balance	13,236,630	9,198,609

Of the above the amounts expected to be incurred within a year amounts to Rs. 7,202,975 (Previous Year Rs. 3,929,935). The warranty expenditure is expected to be incurred over the warranty life of the products, as contracted, which varies from 6 months to 7 years



STOVE KRAFT PRIVATE LIMITED
Notes forming part of the standalone financial statements

Note No.

37 Contingent liabilities

Particulars	As at	As at
	March 31st 2018	March 31st 2017
	₹	₹
Premium payable on redemption of CCDs (Refer note 5 (ii))	499,999,691	499,999,691
Indirect tax matters under appeal	61,560,595	47,983,882
Other disputed claims	2,675,000	1,975,000
Provident fund claims	9,386,961	9,386,961
Tax Liability towards pending C Form	11,344,016	-
Estimated amount of contracts remaining to be executed on capital account and not provided for tangible assets (Net of advances)	27,811,023	2,235,822
Total	612,777,286	561,581,356

38 Earnings in foreign currency

Particulars	For the year ended	For the year ended
	March 31st 2018	March 31st 2017
	₹	₹
Exports at F.O.B. value	294,464,161	316,904,518
Total	294,464,161	316,904,518

39 Expenditure in foreign currency

Particulars	For the year ended	For the year ended
	March 31st 2018	March 31st 2017
	₹	₹
Travelling and conveyance	5,861,733	4,530,622
Salaries and wages	5,384,460	3,727,309
Testing Charges	137,226	-
Professional Fees	385,526	798,552
Repairs and Maintenance	222,212	3,632,409
Royalties	3,943,444	-
Total	15,934,601	12,688,892

40 Mr.Rajendra Gandhi, Managing Director of StoveKraft Pvt Ltd, is also a Non-Executive Director on the Board of Pigeon Appliances Private Ltd (referred as PAPL). As a result of certain disputes, which have arisen between PAPL and StoveKraft Pvt Ltd, PAPL has not filed its financial statements for financial years 2014-15, 2015-16 and 2016-17 as required in terms of Section 137 of the Companies Act, 2013. The last date for PAPL to file financial statements with the Registrar of Companies (ROC) for the financial year 2016-17 expired on October 30, 2017, as a result of which the provisions pertaining to disqualification of Directors under section 164 (2) and vacation of Office of Director under section 167 (1) of the Companies Act, 2013, was attracted. The Company and Mr.Rajendra Gandhi filed a petition before the National Company Law Tribunal (NCLT), Bangalore, on November 22, 2017 against PAPL, followed by another interim application on May 30, 2018, praying, inter alia, that the NCLT direct the ROC to maintain status quo by not disqualifying Mr.Rajendra Gandhi from directorships of other companies (Other than PAPL), until the disposal of the main petition. The NCLT, in its interim order, dated July 18, 2018, has directed the ROC, not to disqualify Mr.Rajendra Gandhi as a Director on the Board of StoveKraft Pvt Ltd

41 Value of imports calculated on CIF basis

Particulars	For the year ended	For the year ended
	March 31st 2018	March 31st 2017
	₹	₹
Raw materials	244,180,241	311,472,588
Finished goods - trading	768,822,862	521,983,963
Components and spare parts	13,373,313	-
Capital goods	21,007,196	2,829,904
Total	1,047,383,612	836,286,455

42 Details of consumption of imported and indigenous items

Particulars	For the year ended		For the year ended	
	March 31st 2018		March 31st 2017	
	₹	%	₹	%
Imported				
Raw materials, components and packing materials	244,180,241	10%	311,472,588	11%
Indigenous				
Raw materials, components and packing materials	2,232,630,806	90%	2,427,996,980	89%
Total	2,476,811,047	100%	2,739,469,568	100%



STOVE KRAFT PRIVATE LIMITED

Notes forming part of the standalone financial statements

Note
No.

- 43 The Company, enters into "domestic transactions" with specified parties that are subject to the Transfer Pricing regulations under the Income Tax Act, 1961 ("regulations"). The pricing of such domestic transactions will need to comply with the arm's length principle under the regulations. These regulations, inter alia, also require the maintenance of prescribed documents and information including furnishing a report from an Accountant which is to be filed with the Income Tax authorities.

The company, has undertaken necessary steps to comply with the regulations. The Management is of the opinion that the domestic transactions are at arm's length and hence the aforesaid legislation will not have any impact on the standalone financial statements, particularly on the amount of tax expense and that of provision for taxation.

- 44 As at March 31, 2018, the Company has a net deferred tax asset with respect to certain timing differences. These have not been recognised as the recognition criteria have not been met in accordance with the accounting policies followed by the Company.

The company has not recognized the net deferred tax asset on the accumulated losses as there is no reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized

a) Current Tax - During the year, the Company does not have taxable income as per regular computation and as per Minimum Alternate Tax under section 115 JB of the Income Tax Act, 1961.

b) Deferred Tax - The timing differences mainly relating to carried forward business losses, unabsorbed depreciation and current depreciation as on March 31, 2018 result in net deferred tax asset and has not been recognised as a matter of prudence.

- 45 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Signature to Note 1 to 45



For and on behalf of the Board of Directors

A handwritten signature in blue ink, appearing to be "S. Srinivasan".

Director

A handwritten signature in blue ink, appearing to be "S. Srinivasan".

Chief Financial Officer

A handwritten signature in blue ink, appearing to be "M. Srinivasan".

Director

A handwritten signature in blue ink, appearing to be "S. Srinivasan".

Company Secretary

Place: Bangalore

Date: