

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL STANDALONE RESULTS

TO THE BOARD OF DIRECTORS OF STOVE KRAFT LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **STOVE KRAFT LIMITED** (the "Company"), for the quarter and nine months ended December 31, 2020 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. The figures for the corresponding quarter and nine months period ended December 31, 2019 and for the preceding quarter ended September 30, 2020 as reported in the Statement have been approved by the Company's Board of Directors, but have not been subject to audit or review.

Our conclusion on the Statement is not modified in respect of this matter.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration[^]W[^]T 008072S)



Jaideep S Trasi
(Partner)

(Membership No. 211095)
(UDIN: 21211095AAAAAX5070)

Stove Kraft Limited
Statement of Standalone Unaudited Financial Results for the Quarter and Nine Months' ended December 31, 2020

J TOVEKRAFT / 1 Medamarana Halli Village Harohalli Hobli, Kanakapura Taluk Rainanagar Dist Kamataka 562112
Website: www.stovekraft.com E-mail: cs@stovekraft.com C1N:U29301KA1999PLC025387

(Amount in Rupees Millions, except for share data, unless otherwise stated)

S. No.	Particulars	For the Quarter ended December 31, 2020	For the Quarter ended September 30, 2020	For the Quarter ended December 31, 2019	For the Nine Months ended December 31, 2020	For the Nine Months ended December 31, 2019	For the year ended March 31, 2021)
		Unaudited	Unaudited (Refer Note 2)	Unaudited (Refer Note 2)	Unaudited	Unaudited (Refer Note 2)	Audited
1	Income						
	(a) Revenue from operations	2,946.80	2,367.65	2,003.58	6,235.16	5,158.65	6,698.61
	(b) Other income	0.75	6.11	7.46	6.54	19.56	21.27
	Total income (a+b)	2,947.55	2,373.76	2,011.04	6,241.70	5,178.21	6,719.88
2	Expenses						
	(a) Cost of materials consumed	1,446.69	1,107.82	957.25	3,047.14	2,483.55	3,232.38
	(b) Purchase of stock in trade	454.46	680.67	378.41	1,069.24	1,100.80	1,287.63
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(5.59)	(251.60)	(32.96)	(75.64)	(229.68)	(101.33)
	(d) Employee benefits expenses	235.90	191.19	211.16	548.40	604.48	820.11
	(e) Finance cost	55.51	54.19	51.43	156.46	152.86	209.01
	(f) Depreciation and amortization expenses	38.12	33.87	31.64	106.13	88.77	121.44
	(g) Other expenses	387.72	277.17	325.43	770.22	844.93	1,122.23
	Total expenses (a+b+c+d+e+f+g)	2,612.81	2,093.31	1,922.36	5,621.95	5,045.71	6,691.47
3	Profit before tax (1-2)	334.74	280.45	88.68	619.75	132.50	28.41
4	Tax expense:						
	(a) Current tax	-	-	-	-	-	-
	(b) Deferred tax	-	-	-	-	-	-
	Net tax expense (a+b)	-	-	-	-	-	-
5	Profit after tax (3-4)	334.74	280.45	88.68	619.75	132.50	28.41
6	Other Comprehensive Income / (loss)						
	Items that will not be reclassified to profit or loss						
	Remeasurements of the defined benefit Plans - Gains / (losses) (net)	0.21	9.15	0.43	13.28	(1.25)	(2.56)
	Income tax impact	-	-	-	-	-	-
	Items that will not be reclassified to profit or loss (net of tax)	0.21	9.15	0.43	13.28	(1.25)	(2.56)
	Total other comprehensive income / (loss)	0.21	9.15	0.43	13.28	(1.25)	(2.56)
7	Total comprehensive income for the period (5+6)	334.95	289.60	89.11	633.03	131.25	25.85
	Paid-up Equity Share Capital (Face Value of Rs. 10 per Equity share)	247.17	247.17	247.17	247.17	247.17	247.17
8	Earnings per share	Not annualised	Not annualised	Not annualised	Not annualised	Not annualised	Annualised
	Basic (in Rs.) (Face value of Rs. 10 each)	13.54	11.35	3.59	25.07	5.36	1.15
	Diluted (in Rs.) (Face value of Rs. 10 each) (Refer note 3 below)	11.13	9.32	2.95	20.60	4.40	0.94

See accompanying notes to standalone unaudited financial results.





Stove Kraft Limited

Statement of Standalone Unaudited Financial Results for the Quarter and Nine Months ended December 31, 2020

81/1, Medamarana Halli Village Harohalli Hobli, Kanakapura Taluk Ramanagar Disi Karnataka 562112

Website: www.stovekraft.com E-mail: csfrt5stovekraft.comCIN:U29301KA1999PLC025387

(Amount in Rupees Millions, except for share data, unless otherwise stated)

Notes:

1. The Company's equity shares have been listed on National Stock Exchange ("NSE") and on BSE Limited ("BSE") on February 05, 2021, by completing the Initial Public Offering (IPO) of 10,717,532 equity Shares of face value of Rs. 10 each at an issue price of Rs. 385 per equity share, consisting of fresh issue of 2,467,532 equity shares and an offer for sale of 8,250,000 equity shares by the selling shareholders. The net proceeds from the fresh issue in the IPO will be utilized towards repayment/ pre-payment, in full or part, of certain borrowings availed by the Company and general corporate purposes.

These standalone unaudited financial results for the quarter and nine months ended December 31, 2020 (the "Statement") has been prepared voluntarily by the management of the Company in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 - "Interim Financial Reporting" (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India, as required under Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended, due to listing of Company's equity shares on NSE and BSE on February 05, 2021.

The above financial results for the quarter and nine months ended December 31, 2020 were reviewed by the Audit Committee and thereafter adopted by the Board of Directors at their meeting held on February 23, 2021.

2. The Statement includes results for the quarter and nine months period ended December 31, 2019 and for the preceding quarter ended September 30, 2020 presented based on information compiled by the management in accordance with Ind AS, which have not been subjected to a separate audit or review by the statutory auditors. However, the management has exercised necessary due diligence to ensure that the financial results for these periods provide a true and fair view of the Company's affairs.

3. Subsequent to the quarter end. Pursuant to the approval of Board of Directors of the Company vide its meeting dated January 08, 2021,

- (i) 2,610,898 Series A compulsorily convertible debentures (CCDs) and 2,280,886 Series B CCDs held by SCI Growth Investments II (SCI) have been converted into 2,412,235 and 1,879,122 Equity Shares, respectively,
- (ii) 1,197,770 Series B CCDs held by Sequoia Capital India Growth Investment Holdings I (SCI-GIH) have been converted to 986,790 Equity Shares;
- (iii) 5 Class A Equity Shares held by SCI and SCI-GIH, each, have been reclassified to 5 Equity Shares, each. The Company has obtained shareholders' approval, for the aforesaid reclassification, by way of special resolution in their Extra-ordinary General Meeting dated January 09, 2021, and
- (iv) The Company has allotted 85,747 Equity Shares of Rs. 10/- each, under the "Stove Kraft Employees Stock Option Plan 2018" at an exercise price of Rs. 150/- per Equity Share.

The above conversion resulted in the paid-up equity capital of the Company being Rs. 300.81 Million represented by total of 30,080,631 outstanding equity shares.

The earning per share as adjusted for the above conversion of CCDs, reclassification of Class A Equity Shares and allotment of Equity Shares pursuant to the ESOPs exercised is as follows:

Particulars	For the Quarter ended December 31, 2020	For the Quarter ended September 30, 2020	For the Quarter ended December 31, 2019	For the Nine Months ended December 31, 2020	For the Nine Months ended December 31, 2019	For the year ended March 31, 2020
	Unaudited	Unaudited (Refer Note 2)	Unaudited (Refer Note 2)	Unaudited	Unaudited (Refer Note 2)	Audited
Adjusted earnings per share	Not annualised	Not annualised	Not annualised	Not annualised	Not annualised	Annualised
Basic (in Rs.) (Face value of Rs. 10 each)	11.13	9.32	2.95	20.60	4.40	0.94
Diluted (in Rs.) (Face value of Rs. 10 each)	11.13	9.32	2.95	20.60	4.40	0.94

4. The Code on Wages, 2019 and Code on Social Security, 2020 ("the Codes") relating to employee compensation and post-employment benefits that received Presidential assent have not been notified. Further, the related rules for quantifying the financial impact have not been notified. The Company will assess the impact of the Codes when the rules are notified and will record any related impact in the period the Codes becomes effective.

5. The Company's operations relate to only one reportable segment viz Kitchen and Home Appliances. Accordingly no separate disclosure of segment information is required.

6. Impact of the COVID-19 pandemic : The Company has considered various internal and external sources consisting of feedback from the customers and the market trends, up to the date of approval of the financial results in determining the impact, if any, arising from the pandemic on various elements of its financial results. The Company has used the principles of prudence in applying judgments, estimates and assumptions and based on its current estimates, the Company fully expects to recover the carrying value of its financial and non-financial assets, including tangible assets. The eventual outcome of the possible impact of the pandemic may be different from those estimated as on the date of approval of these financial results.

7. The above financial results have been presented on a standalone basis as the Company's interest in Stove Kraft India ("SKI"), a partnership firm in which the Company was 99% partner, was dissolved with effect from September 22, 2020.

†1. The Investors can visit the company's website www.stovekraft.com for updated information.

Date : February 23, 2021
Place : Bengaluru

Rajendra Gandhi
Managing Director

