STOVEKRAFT®

PERFORMS IN KITCHENS, TRANSFORMS IN MARKETS

ANNUAL REPORT 2020-21

What's Inside

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stovekraft.com

STRONG FY 2020-21 PERFORMANCE

₹859 Cr
Revenue from Operations
28%

₹113* Cr
EBITDA
234%

* Excluding other income

₹81 Cr
Profit After Tax
2,758%

26.82%
Return on Net Worth
654%

32.1%
Return on Capital Employed
2,290%

YoY growth

SPLENDID DEBUT ON THE BOURSES

Your Company's Initial Public Offering (IPO) was a grand success with our shares listing at ₹ 467 on BSE, a premium of 21.3% over the issue price of ₹ 385. On NSE, the stock debuted at ₹ 498, up 29.35% from the issue price. Intraday, the share rose 28.71% to ₹ 495.55 on BSE.

The ₹ 413 Cr IPO, was subscribed 18 times, with non-institutional investors bidding 32.72 times the allocated quota of shares and retail individual investors category being subscribed 26 times.

Stove Kraft Limited listing at a valuation of

₹1,500 Cr

on February 5, 2021

AT STOVE KRAFT, OUR ENDEAVOUR IS TO CREATE BETTER VALUE FOR ALL OUR STAKEHOLDERS.

In the kitchen, our brands are the hard workers who make the chef's chores lighter. Be it preparing a quick breakfast, serving healthy lunches or making elaborate meals for dinner, our wide variety of kitchen products put the joy back in cooking as well as ensure that it is safe and easy. With our relentless focus on innovation and quality, we continue to delight our consumers. Beyond the kitchen, we also offer innovative, efficient and user-friendly home solutions to improve our consumers' lives in meaningful ways.

In the market, our brands transform perception, create value and reward everybody associated with them. Today, on the strength of our brands, Stove Kraft is a leading and trusted player in the Indian kitchen appliances industry. Our robust growth trajectory has enabled us offer better returns to our shareholders,

exciting career growth opportunities to our employees, new business opportunities to our suppliers, distributors & retailers, and great support to our local communities. Our successful listing at the bourses in an unprecedented year further demonstrates our ability to deliver great value, despite a challenging environment.

The uncertainty due to the pandemic did not deter us from our growth plans. Investments were made in our manufacturing capabilities. This has enabled us to shift to in-house manufacturing for existing products that were earlier imported from China and for newer products, thereby making us resilient against supply chain disruption.

We remain committed to investing today for driving tomorrow's growth. Capacity requirement for future growth has been envisaged. Plans have also been formulated for investments in process automation, vertical and horizontal manufacturing integration, and renewable energy to reduce third party dependence and greener future. As we build on our capabilities, we are reinforcing our foundation for delivering sustained value.

INTRODUCING STOVE KRAFT

Incorporated in 1999, Stove Kraft is among India's leading manufacturers of kitchen appliances and an emerging home solutions brand. We believe that quality is a pre-requisite for a positive consumer experience and long-term brand loyalty. This philosophy has formed the foundation of the expansion and diversification of our product portfolio since our inception. Our operations are supported by our state-of-the-art, backward integrated manufacturing facilities along with our wide distribution network and dedicated after-sales services.

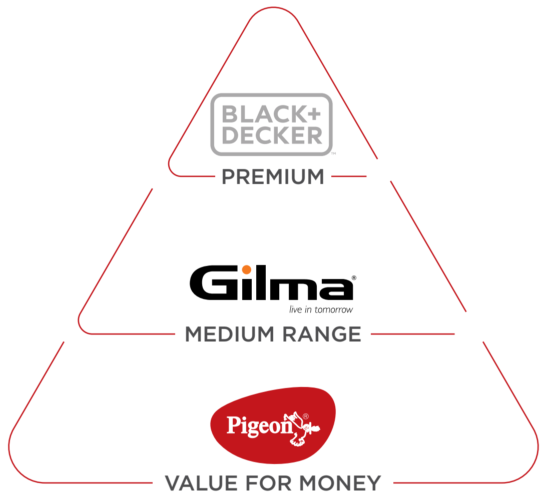
Our kitchen solutions comprise cookware, cooking and home appliances across our brands, and our home solutions comprise various household utilities, including consumer lighting. In India, we rank among the dominant players for pressure cookers and are amongst the market leaders in the sale of free-standing hobs and cooktops.

Our products are steadily gaining presence in overseas markets as well, including the US, Mexico, South East Asian countries and Gulf countries, where we undertake branded and original equipment manufacturing for retail chains under their brands.

We are headquartered in Bengaluru, while our manufacturing facilities are located at Bengaluru (Karnataka) and Baddi (Himachal Pradesh).

MULTI-BRAND PORTFOLIO

Our brands Pigeon, Gilma, and BLACK+DECKER straddle the value, semi-premium and premium consumer segments, respectively, enabling consumers to engage with the brand specifically designed for their budget and lifestyle. Pigeon and Gilma, our flagship brands, enjoy a market presence of over 15 years and a high brand recall amongst consumers for quality and value for money. We also retail lighting solutions under the Pigeon LED brand. Our brand tie-up with Stanley Black & Decker, Inc. and The Black and Decker Corporation, a diversified global provider of hand tools, enables us to exclusively retail kitchen or home appliances in India under the BLACK+DECKER brand.



FAST FACTS

Pan-India Presence

27 states and
5 union territories

Top Quality Focus

ISO 9001:2015
certified manufacturing facilities

Strong Distribution Network

9 C&F agents
646 distributors
61,400+ Retail outlets
62 exclusive GILMA stores

High Manufacturing Capacity

38.40 Mn units per annum at Bengaluru facility
2.80 Mn units per annum at Baddi facility

Growing Overseas Presence

14 countries

PERFORMING ON THE STRENGTH OF OUR BRANDS

OUR DIVERSE PRODUCT RANGE

Pigeon

- Cookware – Pressure cooker, Wondercast cookware, non-stick cookware, electric rice cookers and titanium hard anodised cookware
- Cooktops and other kitchen solutions – Hobs, glass cooktops, stainless steel cooktops, induction cooktops and chimneys
- Small appliances – Mixer grinders, rice cookers, electric kettles, toasters, sandwich makers, knives, steam irons, juicers, food steamers, air fryers and electric grills
- Other products – Emergency lamps, water bottles and flasks, aluminium ladders, cloth dryers, water heaters, dustbins and mops


ALL-IN-ONE SUPER COOKER - 3 LITRE


INOX PRESSURE COOKER INNER LID


WONDERCAST BLACK FLAT TAWA


INFINITY - 3 BURNER


ELECTRIC OVEN


MEADOW - 75


ULTIMATE COOKTOP - 3 BURNER


TORNADO HAND BLENDER - GREY


SIRIUS

Pigeon LED


LED BULBS

BATTENS


DOWNLIGHTS

GILMA

LPG stoves
Water heaters
Chimney hobs Cooktops


NOVA-4 BURNER


COSMIA 60


NERO-4 BURNER


EBONY 4B XL HOB


MARVEL 90


REGALIA


REGALIA

BLACK+DECKER

- Small appliances – Food processors, juicers, hand blenders, hand mixers, mini choppers, oven toaster grills, rice cookers, coffee makers, toasters, sandwich makers and kettles
- Other products – Steam irons, dry irons, water heaters and oil fin radiators


12 CUP DRIP
COFFEE MAKER-900W
BXCM1201IN


48L OTG
BXTO4801IN


HAND BLENDER-200W
BXBL2001IN

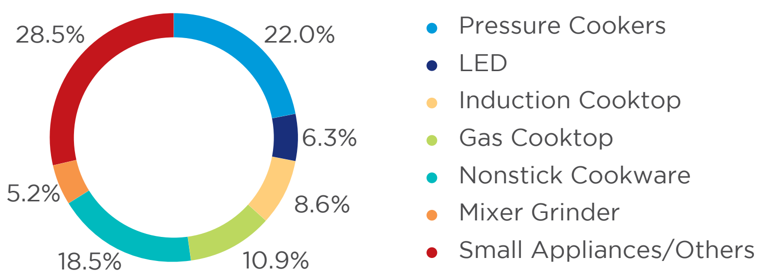

1.7L KETTLE WITH
DIGITAL CONTROL
BXKE1705IN


PORTABLE GARMENT STEAMER-1500W
BXGS1501IN


2400W STEAM IRON
BXIR2401IN

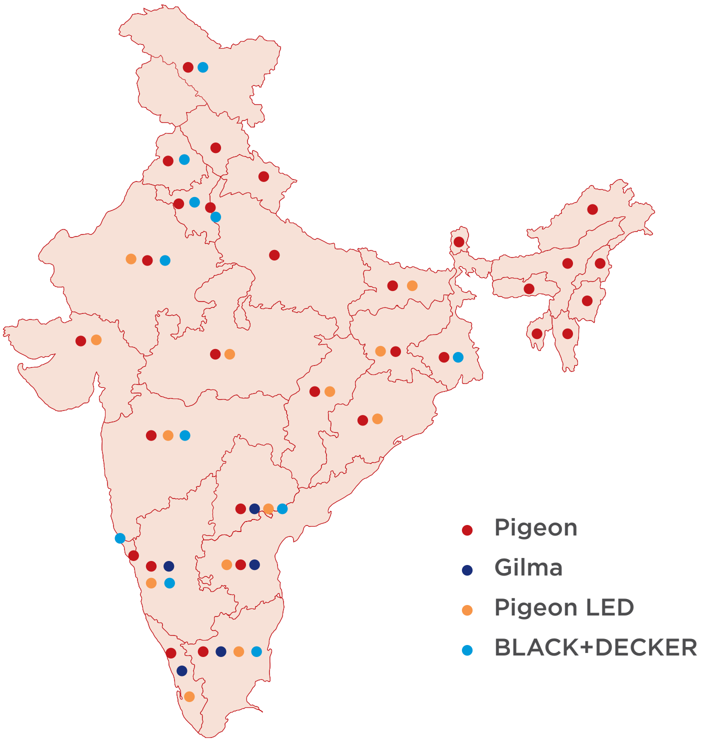
Our innovative culture led us to develop the 'Super Cooker' which has a registered design and is customisable into products with multiple utilities, and the 'Infinity' glass cooktops with a fastener-free body.

Revenue Breakup : FY 2020-21



TRANSFORMING EXPERIENCES ACROSS MARKETS

Domestic Footprint



12
Export Countries

2 Countries
OEM Partnerships

10%
Export Sales

International Footprint

MILESTONES IN OUR JOURNEY

1999

Incorporated as Stove Kraft Pvt. Limited

2001

Granted trademark registrations for Gilma

2003

Granted trademark registrations for Pigeon

2004

Commenced manufacturing at the Baddi unit

2008

Investments by SIDBI

Received factory licence for Unit 1 of the Bengaluru facility

2010

First investment by Sequoia

2011

Crossed ₹ 5,000 Mn in revenues

2014

Commenced exports to USA

2015

Granted certificate of registration of design for our product 'pressure cooker'

2016

Entered into an exclusive brand licensing agreement with Stanley Black & Decker Inc. and The Black and Decker Corporation

2018

Achieved sales of 9.1 Mn units

2019

Commenced the manufacture of Pigeon LED products in Bengaluru and inner lid cookers in Baddi

2020

Automated our Roller Coating Unit

Commenced production of handy chopper, thermometer, and PCB for LED bulbs and batten

Increased production capacity for induction cooktop, LED bulbs and pressure cooker

2021

IPO with listing on NSE and BSE with a valuation of over ₹ 1,500 Cr

Initiated investments in renewable energy for captive power consumption

OUR COMPETITIVE STRENGTHS

Well-recognised brands

Our award-winning Pigeon brand is well established in the Indian kitchen appliances industry. Led by our co-branding initiatives of over eight years with LPG companies to utilise their sale and distribution channels, Pigeon enjoys a wide consumer outreach, especially in the interior regions of the country, and has a high brand recall value. Gilma is recognised as a brand offering a semi-premium experience, while BLACK+DECKER is a globally trusted name in small domestic appliances.

Diverse product range across price segments

We provide a diverse range of kitchen products across price points to meet the preferences of varied consumer segments. Under our Pigeon brand, we manufacture and retail affordable, quality products including cookware, cooking appliances and household utilities, among other things. The existing market presence and strength of the Pigeon brand has been instrumental in enabling us to successfully enter into home solutions vertical with LED products. Under the Gilma brand, we currently offer products such as chimney, hobs and cooktops targeted at the semi-premium segment. We also retail premium kitchen products, such as blenders and juicers, breakfast appliances, small cooking appliances and small domestic appliances, under the BLACK+DECKER brand.

Well-connected distribution network

The integration of our supply chain and distribution network with our manufacturing facilities provides us with a competitive advantage over other players in the Indian kitchen appliances industry. Our manufacturing facilities in Bengaluru and Baddi are well connected with nine strategically located C&F agents. Additionally, we have 646 distributors across India. The C&F agents and distributors are, in turn, connected with a dealer network comprising over 61,400+ retail outlets, which are driven through a sales force of 560+ personnel.

Presence across multiple channels

Our products are available at independent third-party retail stores as well as prominent retail chains. We have also partnered with leading e-commerce retailers for the sale of our Pigeon branded products on their portals to enhance its reach and accessibility. Our Gilma brand products are sold exclusively through 62 Gilma stores located across 28 cities and towns in four states.

Technology-driven operations

Our sales team people are constantly monitored and well connected through sales force automation. We have also implemented a secondary sales software for real-time distribution management and to track and capture the secondary movement of our field sales executives and servicing engineers in the market in real-time. Further, we are also using a Distributor Management System (DMS) to track secondary and tertiary sales and maintain inventory level at the distributor's centre. The Company has implemented SAP S4 HANA, across all functions which helps the organisation to make better decisions with real time insights at the point of action. Being technology-driven enables us to gain a deep understanding of the market trends and shifts in consumer preferences. These insights enable us to expand strategically and with agility.

Dedicated after-sales network

Our quality focus is complemented by our efficient consumer support services to ensure consumer satisfaction. A dedicated centralised CRM is in place, which enables tracking of consumer requests, pre-installation and post-sales support. Centralised call centres and allocation of service requests to branches based on mapping further ensures speed in our response. Along with that, we have a dedicated service team to address service calls for all our brands. For our Gilma products, we have a dedicated mobile app to raise installation and post sales services requests.

Integrated manufacturing capabilities

Our manufacturing facilities are located at Bengaluru (Karnataka) and Baddi (Himachal Pradesh). Both facilities have a high level of backward integration, and our manufacturing process is not dependent on third-party suppliers and OEMs. The Bengaluru facility is spread across more than ~43 acres, out of which 25 acres is available for future expansion. It is also one of the few facilities in India to have a fully automated roller coating line for the manufacture of non-stick cookware. Both our manufacturing facilities are ISO 9001:2015 certified for implementing quality management systems.

Consistent focus on quality and innovation

Our focus on quality is maintained at all stages – right from the sourcing of raw materials, which is undertaken from manufacturers - to the product development and manufacturing stage, which is subject to rigorous review and monitoring process. We have a dedicated sourcing team and quality assurance team to closely monitor the quality of products which are sourced by us from third-party OEMs. A dedicated in-house R&D facility and progressive R&D investments have enabled us to deliver relevant product innovations and add segments based on shifts in consumer preferences and market demand.

Consumer-focussed marketing

We maintain a continuous focus on the development of our brands and invest significant resources towards their growth and outreach. Our marketing and advertising activities include in-shop displays, merchandising, kiosks, live demo stands and digital marketing, which enable us to maintain the popularity and recall value of our brand portfolio. We also maintain an in-house team who continuously engage with various publications, TV channels and other media to coordinate our marketing efforts.

Professional and experienced management

We are a professionally managed company with a track record of corporate governance and robust internal controls. Our management team has an average of more than 22 years of experience. While core functions are centralised, we have focussed management teams as well as shared management teams which manage the different brand portfolios, and our product heads have significant expertise in their respective product categories.

Strong track record and financial stability

We have maintained a strong track record of growth over the years through expansion of brand portfolio, distribution network, improved procurement costs and increase in sales growth. Our operational efficiencies and efficient supply chain network has resulted in better control of operational expenses. Further, we have been able to capitalise on our existing logistics, supply chain network and backward integrated manufacturing facilities to utilise our capital efficiently. Over the past few years, we have added manufacturing and warehousing infrastructure, scaled up our retail franchise operations, added a number of new product categories and entered new consumer segments. We believe that these initiatives have prepared a strong base for future growth.

LETTER FROM THE MANAGING DIRECTOR

I am also pleased to report that since our listing, your Company's market capitalisation has grown 24.7% from issue price to ₹ 1,568 Cr as of March 31, 2021.

Dear Shareholders,

For Stove Kraft, perhaps nothing can capture the emotion of fiscal 2021 better than the phrase from Dickens' A Tale of Two Cities – "It was the best of times, it was the worst of times". While our maiden public issue received an overwhelming response, as an organisation we are deeply anguished by the loss of lives and human suffering during the second wave of the COVID-19 pandemic in India.

On behalf of the Board, we offer our deepest condolences to the bereaved families. I would also like to take this opportunity to extend our heartfelt gratitude to the extended family of Stove Kraft – our employees – who came together and worked tirelessly to turn around our fortunes, under these exceptional circumstances. At Stove Kraft, human capital is the primary capital.

Before I take you through our performance highlights for the year, let me briefly introduce your Company. Stove Kraft has grown from a single brand small LPG stove manufacturing company to become one of India's leading manufacturers of home and kitchen products. Today, we have well-recognised brands across price segments in our portfolio, giving us a significant edge in reaching out to consumers across the country and scaling our business. We are consistently investing in innovation to bring a wide array of meaningful kitchen and home products that make the lives of our consumers easier, better and safer. Our well-equipped and backward integrated manufacturing facilities and well-connected distribution network further underpin our ability to control and monitor product quality and costs. In addition to growing our domestic business, we are also steadily tapping global opportunities.

Going forward, India's favourable macroeconomy will continue to provide us with significant growth opportunities. Rising discretionary income, growing urbanisation and a young demographic profile will drive retail spending, including for home and kitchen products.

Since our inception, your Company has always strived to deliver better value for all its stakeholders. Our successful listing on the bourses on February 5, 2021 reaffirms the faith reposed by our investors in our business model. We are truly grateful for your confidence and support and look forward to keeping you apprised of our business performance. The net proceeds from the issue have been utilised towards reducing our debt. Our endeavour is to become completely debt free in the near future. I am also pleased to report that since our listing, your Company's market capitalisation has grown 24.7% from issue price to ₹ 1,568 Cr as of March 31, 2021.

During FY 2020-21, the nationwide lockdown resulted in our manufacturing and sales activities being temporarily shut down during the first quarter. Despite this business disruption, we reported solid results for the full year by reopening our operations in a phase-wise manner and demonstrating agility in responding to emerging consumer needs, while always ensuring the health and safety of our workforce. Further, the Coronavirus outbreak has inculcated habits of home cooking, with consumers becoming more health conscious and spending more time at home, thereby increasing the demand for kitchen and home goods. Driven by increased sales volumes, total revenue for FY 2020-21 stood at ₹ 859 Cr an increase of 28% from the previous year despite having a muted first quarter. Our strong focus on rationalising costs and improving our efficiencies enabled us to report robust EBITDA and PAT numbers of ₹ 113 Cr and ₹ 81 Cr, respectively.

Several steps were taken to adapt our operations to the COVID-19 pandemic as well as align it with our overall strategy. First, we reduced our supply-chain dependence on China. Second, we played to our strength of manufacturing by indigenising several products that have reached the desired scale. FY 2020-21, we shifted from outsourcing to in-house production for kettles, choppers and induction cooktop, among others. In-house manufacturing has lowered our costs, with some of these savings being passed on to the consumers. The reduced prices have made our products accessible to a larger consumer base, setting in place a virtuous cycle of scaling demand and putting momentum

In a pandemic-stricken year, our topmost priority has been the health and safety of our people. COVID-19 appropriate protocols have been strictly implemented at all our locations.

behind Stove Kraft in achieving leadership in these product categories. Moreover, despite the pandemic, we continued to invest in growing our distribution network to benefit from increased demand for certain products and to take advantage of new business opportunities. Our strategic decisions rewarded us well, as reflected in the increased traction in our product volumes.

The raison d'être for your Company is the consumer. Today, we can manufacture around 1,25,000 products in a day. Our consumers experience the joy of a high-quality product at an unbeatable price, and, in turn, become our greatest marketing asset. Our new products thus enjoy a large consumer base to get faster adoption. With our scalable business model, we are increasing our consumer reach every day, driving our ability to create a thriving and sustainable business.

Going forward, India's favourable macroeconomy will continue to provide us with significant growth opportunities. Rising discretionary income, growing urbanisation and a young demographic profile will drive retail spending, including for home and kitchen products. Further, India's urban consumers no longer view kitchen products merely as functional tools but as a part of their aspirational lifestyle. Seeking contemporary, stylish kitchen gadgets, convenience in cooking, and modular kitchens to make the best utilisation of limited space in small houses, this aspiring consumer segment will drive demand for our modern kitchen solutions. Increased internet penetration, growth of e-commerce and growing influence of social media is also boosting the demand for better kitchen products. In the rural segment, government initiatives such as Pradhan Mantri Ujjwala Yojana, which provides for free LPG connections, has increased our addressable market opportunity.
As one of the leading cooktop manufacturers in the country, we are well-positioned to leverage this vast network of rural households.

As we move ahead in our journey, several strategies are core to our future success. First, we will continue to focus on expanding our product portfolio across categories to cater to the evolving requirements of a large consumer base and cover newer consumer segments. In addition to meeting the demand for home and kitchen products, we also seek to capture the growing demand for LED lighting products. Second, we will effectively market these products by scaling up our branding, promotional and digital activities. Third, we aim to increase the level of automation at our manufacturing facilities to extract greater efficiencies across the value chain, from design to commercial production. Fourth, we will continue to enhance our addressable market through our wide distribution network. Finally, we will continue to work towards increasing our reach in overseas markets. Our growth strategies are underpinned by the Company's healthy financial position, supporting our ability to invest in our capabilities and deliver sustainable performance.

In a pandemic-stricken year, our topmost priority has been the health and safety of our people. COVID-19 appropriate protocols have been strictly implemented at all our locations. We continue to follow all safety measures to ensure the well-being of our people and maintain business continuity.

As you are reading this report, we are also happy to inform you that 100% of our employees have been vaccinated.

During the pandemic, your Company has taken several initiatives to help the community where we live and work. We provided several neighbourhood families with their monthly ration and donated oxygen concentrators to the district. We also provided ten nearby villages with a communal pure drinking water plant. The plant is capable of providing sustainable and free drinking water to the entire village.

In closing, I would like to once again take this opportunity to thank our people for the commitment and hard work they have demonstrated in this unprecedented year. Their outstanding efforts enabled us to deliver a commendable performance. I would also like to convey my gratitude to our Shareholders, Consumers, Board members for their unwavering support, along with our dealers, distributors and suppliers for being an important part of our journey. At Stove Kraft, we are truly excited about our growth potential and are confident in our ability to deliver. I look forward to the years ahead as we continue to build an amazing company that benefits all stakeholders.

Warm Regards,

Rajendra Gandhi
Managing Director

FINANCIAL HIGHLIGHTS
(CONSOLIDATED)

Revenues (₹ Cr)

FY2021	859
FY2020	670
FY2019	641
FY2018	529

Gross Profit Margins (%)

FY2021	35.01
FY2020	34.04
FY2019	31.56
FY2018	33.16

EBITDA (₹ Cr)*

FY2021	113
FY2020	34
FY2019	30
FY2018	10

* excluding other income

EBITDA Margins (%)

FY2021	13.16
FY2020	5.04
FY2019	4.65
FY2018	1.89

PAT (₹ Cr)

FY2021	81
FY2020	3
FY2019	1
FY2018	(12)

PAT Margins (%)

FY2021	9.47
FY2020	0.47
FY2019	0.11
FY2018	(2.25)

ROCE (%)

FY2021	31.90
FY2020	9.20
FY2019	8.20
FY2018	(0.62)

Cash Flow from Operations (₹ Cr)

FY2021	110
FY2020	16
FY2019	13
FY2018	11

Segment-wise Revenue Contribution and Growth Trajectory

Segment	Gross Revenue FY 2019-20 (₹ Cr)	Gross Revenue FY 2020-21 (₹ Cr)	Growth Over Previous Year (%)
PIGEON	577	707	23%
BLACK+DECKER	19	14	(26%)
LED	33	54	64%
OIL COMPANY BUSINESS (OCB)	20	18	(9%)
OEM EXPORTS	41	75	83%
TOTAL SALES REVENUE	707	886	25%

BOARD OF DIRECTORS

Mr. Rajendra Gandhi
Managing Director

Mr. Rajendra Gandhi is the founder of our Company and has over 21 years of industry experience. With his entrepreneurial acumen, he has built Stove Kraft to become one of the leading brands for kitchen appliances in India and has been on the Board since 1999. He continues to be closely involved in the day-to-day affairs of the Company and is instrumental in promoting Stove Kraft's culture of innovation.

Mr. Rajiv Nitin Mehta
Chief Executive Officer & Whole Time Director

Mr. Rajiv Nitin Mehta holds a Bachelor's degree in Chemical Engineering from University of Mumbai and Master's degree in Science from University of Pennsylvania, and in Business Administration from INSEAD. He has previously served as the Chief Executive Officer of Arvind Limited and Managing Director of Puma Sports India Private Limited. He also serves as the Director in the following companies: Fourseven Services Private Limited, Unicorn Contractors and Developers private limited and Kan DFY Sports Private Limited.

Ms. Neha Gandhi
Executive Director

Ms. Neha Gandhi holds a Bachelor's degree in Business Administration from Christ University, Bengaluru and has completed a Postgraduate certificate programme in Sales and Marketing Management from MICA (formerly Mudra Institute of Communications, Ahmedabad). She has served as a Graduate trainee at Viacom 18 Media Private Limited.

Mr. Bharat Singh
Nominee Director

Mr. Bharat Singh is a Nominee Director of SCI and SCI-GIH on the Board of our Company. He holds a Bachelor's degree in Commerce from the University of Delhi and is a Chartered Accountant with the Institute of Chartered Accountants of India. He has previously worked as the Chief Financial Officer of Pilani Soft Labs Private Limited (also known as Redbus) and SBI Business.

Mr. Lakshmikant Gupta
Independent Director

Mr. Lakshmikant Gupta holds a Bachelor's degree in Economics from Hans Raj College, University of Delhi and a Postgraduate diploma in Business Management from Institute of Management Technology, Ghaziabad. He has previously been associated with Ibibo Group Pte Limited, Procter & Gamble Gulf FZE, LG Electronics India Private Limited and Girnar Software Private Limited. He is also a partner of CMO now Marketing Consulting LLP.

Mrs. Shubha Rao Mayya
Independent Director

Mrs. Shubha Rao Mayya holds a Bachelor's degree in Commerce from the University of Mumbai and is a Chartered Accountant with the Institute of Chartered Accountants of India. She has previously worked with ICICI Limited, ICICI Prudential Life Insurance Company Limited and Tata Consultancy Services Limited. She also serves as a Director on the board of Ace Manufacturing System Limited and Happiest Minds Technologies Limited.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Lakshmikant Gupta
Chairman and
Independent Director

Rajendra Gandhi
Managing Director

Rajiv Nitin Mehta
Whole-time Director & CEO

Neha Gandhi
Executive Director

Shubha Rao Mayya
Independent Director

Bharat Singh
Nominee Director

KEY MANAGERIAL PERSONNEL

Shashidhar SK
Chief Financial Officer

Elangovan.S
Company Secretary

STOCK EXCHANGES

1. The National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor,
Bandra-Kurla Complex,
Bandra (E), Mumbai - 400051.
Scrip Code: STOVEKRAFT

2. BSE Ltd
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001.
Scrip Code: 543260

CORPORATE IDENTITY NUMBER

U29301KA1999PLC025387

REGISTERED OFFICE

#81/1 Medamaranahalli,
Harohalli Hobli,
Harohalli Industrial Area,
Ramanagara District,
Bengaluru - 562112

REGISTRAR & SHARE TRANSFER AGENTS

KFin Technologies Private Limited
(Formerly Karvy Fintech Private Limited)
Karvy Selenium Tower B, Plot No. 31-32, Karvy Selenium,
Financial District
Nanakramguda, Gachibowli,
Hyderabad, Telangana - 500032
T: +91 40 6716 2222, 3321 1 000;
F: +91 40 2300 1153;
E: murali.m@kfintech.com

STATUTORY AUDITORS

Deloitte Haskins & Sells
Chartered Accountants

INTERNAL AUDITORS

M/s. Manian & Rao
Bengaluru

COST AUDITORS

M/s. G.S. & Associates
Cost Accountants

SECRETARIAL AUDITORS

BMP & Company
Practicing Company Secretaries

INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN)

INE00IN01015

PLANTS

Unit 1, Harohalli Industrial Area, Bengaluru

Unit 2, Harohalli industrial Area, Bengaluru

Unit 3, Baddi, Himachal Pradesh

BANKERS

ICICI BANK LTD
HDFC BANK LTD

Statutory Reports & Financial Statements

Management Discussion and Analysis

ECONOMIC REVIEW

Global Economy

The global economy witnessed an unprecedented crisis in FY 2019-20 as the outbreak of the novel coronavirus (COVID-19) in China towards the end of FY 2018-19 spread rapidly across the globe. The rising human toll worldwide and the Millions of people that remain unemployed have resulted in extreme social and economic strain that the global community still confronts. While ensuing lockdowns announced by all major economies played a critical role in saving lives, they resulted in severe damage to economic activities, thereby plunging the world economy into a recession. As per the International Monetary Fund (IMF), the global economy contracted by 3.3% in FY 2019-20 vis-à-vis 2.8% growth registered in FY 2018-19. Substantial fiscal and monetary stimulus packages enforced by the governments and central banks across the globe have been playing a pivotal role in economic recovery. Successful vaccination programmes will boost investor sentiment and kickstart private capital inflows and fixed capital formation.

(Source: IMF World Economic Outlook, April 2021)

Indian Economy

India was amongst the few countries that went into a nationwide lockdown following the pandemic outbreak, and after that, the economy unlocked in phases. Mobility restrictions and social distancing led to unparalleled supply-chain disruptions and consumer demand fallout. In the second half of FY 2020-21, restrictions on inter-state movements were lifted to ensure mobility of goods, thereby easing supply side pressures. This is also reflected in the industrial activity pick-up. Easing of restrictions, pent-up demand and festive sales contributed to 0.4% growth in the third quarter of FY 2020-21, after contracting 23.9% in the first quarter and 7.5% in the second quarter. The economy continued to improve further during the fourth quarter with key indicators bouncing back, including GST collections, employment and demand.

Entering the new fiscal, in April and May 2021, India struggled with an unprecedented second wave of COVID-19 and lockdowns were reimposed in different parts of the country to contain the spread of infection. This has hampered India's economic revival. Keeping the impact of the second wave in focus, the World Bank has revised India's GDP forecast to 8.3% for FY 2021-22, as against its earlier estimate of 10.1%.

(Source: World Bank, CSO provisional estimates)

INDUSTRY OVERVIEW & DEVELOPMENTS

Globally, the kitchen appliances market includes appliances or devices intended for smooth functioning of kitchen activities. Kitchen appliances are used mainly for food preparation, cooking, storage, and cleaning functions. The Global Kitchen Appliances Market was estimated to reach at US$ 253.4 Bn in FY 2019-20, registering a CAGR of 6.4% during the forecast period 2014-20.

(Source: https://www.alliedmarketresearch.com/press-release/global-kitchen-appliances-market-is-expected-to-reach-253-4-billion-by-2020-allied-market-research.html)

The global kitchen appliances market can be segmented based on product structure into two categories – Large/Major appliances which include refrigerator, dishwasher, microwaves, cooktops, ovens, hobs, and kitchen chimneys; and Small/Minor appliances which include food processors, mixer grinders, blenders and juicers, coffee machines, kettles, grills, and fryers.

Indian appliance and consumer electronics (ACE) market is expected to increase at 9% CAGR to reach ₹ 3.15 Tn (US$ 48.37 Bn) in FY 2021-22. Urban markets account for the major share (65%) of total revenues in the consumer durables sector in India. The kitchen appliances industry has traditionally been weighted toward unorganised players while a few of organised players have dominated major regions and key urban markets. Urban markets account for a major share of total revenues in the consumer durables sector in India whereas rural markets have only now begun to contribute recently. By FY 2024-25, India is expected to rise from the 12th to the 5th largest consumer durables market in the world.

(Source: https://www.electronicsb2b.com/important-sectors/consumer-electronics-and-gadgets/the-ace-factor-in-india/)

The Indian Kitchen Appliances market is witnessing a transformational shift from Unorganised to Organised Sector. Implementation of GST aims at reducing several tax burdens on manufacturers and fosters their growth through more production. The Indian manufacturing industry has emerged as one of the high growth sectors in India, and the launch of 'Make in India' initiative further propelled and gave this sector the necessary boost. To put more thrust on 'Make in India' drive, in the 2018 Union Budget, the Government increased the basic customs duty on some key electronic items, which includes LED lamps, one of the product segments catered to essentially by Kitchen appliances manufacturing companies. Consumer appliances market is also expected to witness higher penetration with growing rural electrification endeavours. The Indian Government's continued push for rural electrification could benefit a host of consumer durables and electronics makers, mainly Food preparation and other Kitchen Appliances. Also, the recently introduced 'Pradhan Mantri Sahaj Bijli Har Ghar Yojna (Saubhagya)' scheme, which promises electricity to every Indian household, is likely to boost the profitability of consumer appliances makers over the next few years.

LARGE COOKING APPLIANCES

Large cooking appliances consist of Cooker Hoods, Cooking Hobs (either built-in or freestanding) and Cooktops. Retail Volume sales of Large Cooking Appliances category have witnessed a growth at a CAGR of 6.0% through 2015-20, to reach sales of 14.2 Mn units in FY 2019-20. In terms of Retail Sales 'Value' growth, the category has grown at an even higher CAGR of 9.2% through the same period, to reach sales of about ₹ 111 Bn in FY 2019-20.
The overall growth momentum of the 'Large Cooking Appliances category' Retail sales is expected to continue the forecast period of 2020-25. In terms of Retail Volume, the category is expected to grow at a CAGR of about 8.7% through 2021-25, to clock 21.7-Mn-unit sales by end of 2025. Retail Value sales also is expected to continue its higher growth trajectory, at a CAGR of 12.5% through 2021-25, to reach ₹ 201 Bn by end of FY 2024-25.

SMALL COOKING APPLIANCES

Successful marketing has created a market for small cooking appliances in India. It covers products like - Pressure Cookers, Electric Kettle, Juice Extractor, Blenders, Mixer Grinder, Coffee Maker, Food Processors, Electric Rice Cooker, etc. Small Cooking Appliances are also almost exclusively sold through Store-Based retailing. In FY 2020-21, 97.4% of total retail volume sales were registered through Store-based retailing, and the remaining 2.6% only was sold through Non-Store based retailing.

OTHERS

The term 'Non-stick' in cookware usually refers to the surface which is coated with a synthetic polymer called Polytetrafluoroethylene (PTFE) or with ceramic, anodised aluminium, enamelled iron which decreases the ability of other materials to stick to it. The term 'Teflon' coating has become synonymous with Non-stick coating in the market.
Hence, non-stick cookware is often also addressed as Teflon-coated cookware. Most popularly used Non-stick cookware includes Tawa, followed by Kadai and Frying Pan. The latest trend-setting Hard anodised and ceramic non-stick cookware register prominent usage in Southern India.

Most manufacturers operating in the Kitchen Appliances market in India, especially those which manufacture small kitchen appliances and food preparation appliances, are also involved in manufacturing and trading of some common Household utility items, the market for which is primarily unorganised, dominated by small local/ regional players and Chinese manufacturers.
These common Household utility items include Floor Mop and Bucket, Dustbin, Ladders, Clothes Drying Stand, etc.

The Key Product Categories in Indian Kitchen Appliances Market

Large Cooking Appliances	Small Cooking Appliances	Others
Cook Tops	Pressure Cooker	Non-stick Cookware
Free-standing Hobs	Electric Kettle	Floor Mop and Bucket
Built-in Hobs	Electric Rice Cooker	Dustbin
Cooker Hoods	Coffee Maker	Ladders
	Juice Extractor	Clothes Drying Stand
	Mixer Grinder	
	Blender	
	Food Processor	

GROWTH DRIVERS AND OUTLOOK OF INDIAN KITCHEN APPLIANCES MARKET

Expected GDP growth and rise in population

The long-term growth prospects of the Indian economy is positive due to its young population, corresponding low dependency ratio, healthy savings, and investment rates, and increasing integration into the global economy. India is the world's sixth largest economy by nominal GDP and the third largest by purchasing power parity (PPP). Currently, about 60% of India's GDP is driven by domestic private consumption and it continues to remain the world's 6th largest consumer market. Indian retail industry is one of the fastest growing in the world. The country is among the highest in the world in terms of per capita retail store availability and is the fifth largest and preferred retail destination globally, with increasing participation from foreign and private players who has given a boost to the Indian retail industry.

Growing Per Capita Income

India's GDP Per Capita reached US$ 2,256 in March 2020 compared with US$ 1,845 in March 2017. As per latest data of the World Economic Outlook report of the International Monetary Fund (IMF), which ranks over 200 countries across the world in terms of their respective per capita GDP based on purchasing power parity (PPP), India has moved up one position to rank 126 among the countries listed by IMF. Increase in the overall per capita income has resulted in the rise of per capita disposable income in the country, which is expected to grow at a CAGR of 7% until FY 2024-25.

FAVOURABLE DEMOGRAPHICS

India has a relatively young demographic profile, with a median age of 27.3 years; 850 Mn of the country's population is in the age group of 35 years or below, making India the globe's youngest population in FY 2019-20. And these Indian millennials are expected to penetrate in consumer markets and redefine India's consumption story with their increasing depiction (currently 47%) in the working age population.

RISING MIDDLE CLASS

The Indian Middle Class was estimated to occupy 62% of the country's population by FY 2019-20. Tier-II and Tier-III cities will be the upcoming high disposable-income cities with greater purchasing power parity, high Internet penetration, and increasingly brand-conscious young population. This growth in India's consumer market demand is driven primarily by rising disposable incomes in Indian households, and easy access to credit which induces a growing purchasing power. Increasing electrification of rural areas, along with rising influence of social media and popularity of online sales are also likely to aid growth in demand.

(Source: https://www.asianstudies.org/publications/eaa/archives/the-middle-class-in-india-from-1947-to-the-present-and-beyond/)

CONSUMER PREFERENCES

The evolving lifestyles and working styles urbanisation have led to growth in the organised retail sector; this, in turn, has led to change in consumer buying behaviour. Rise in urbanisation in India has also led to its people having more additional disposable income as compared to before which in turn translates into a greater opportunity for overall retail spending in India. And with food capturing the biggest share in the Indian consumers' expenditure pie, it is more evident that the Kitchen Appliances and Cookware market would be a direct beneficiary of the growing trend of urbanisation.

INCREASED SPENDING

The consumer spending in India was anticipated to grow at 14% (much higher than the anticipated annual global growth of 5.5%) and expand 3.6 times from US$ 991 Bn in FY 2009-10 to US$ 3.6 Tn by FY 2019-20. India will constitute 5.8% of global consumption more than double the 2.7% it represents. (Source: CMIE). Significant increase in disposable income and easy financing schemes have led to shortened product replacement cycles and evolving lifestyles where consumer durables, including kitchen appliances, are perceived as utility items rather than luxury possessions.

(Source: https://www.indiainfoline.com/article/news-top-story/consumer-spending-in-india-poised-for-explosive-growth-report-113103007422_1.html)

FAVOURABLE GOVERNMENT POLICIES

To fulfil its objective of reducing dependence on imports by FY 2019-20, the Government has allowed 100% FDI in the electronics hardware manufacturing sector through the automatic route and 51% FDI in Multibrand retail. Under the automatic route in the ESDM (Electronic System Design & Manufacturing) sector, 100% FDI is allowed, with Special preference to foreign companies setting up manufacturing units in India. This proved to be a key attraction for foreign investors, and enabled consumer appliance manufacturers, especially those in the Kitchen Appliances industry. The Government released the Draft National E-commerce Policy, which encourages FDI in the marketplace model of E-commerce. Further, it states that the FDI policy for E-commerce sector has been developed to ensure a level playing field for all participants.

'MAKE IN INDIA'

The Indian manufacturing industry has emerged as one of the high growth sectors in India, and the launch of 'Make in India' initiative further propelled and gave this sector the necessary boost. To put more thrust on 'Make in India' drive, in the 2018 Union Budget, the Government increased the basic customs duty on some key electronic items, which includes LED lamps, one of the product segments catered to essentially by Kitchen appliances manufacturing companies.

COMPANY OVERVIEW

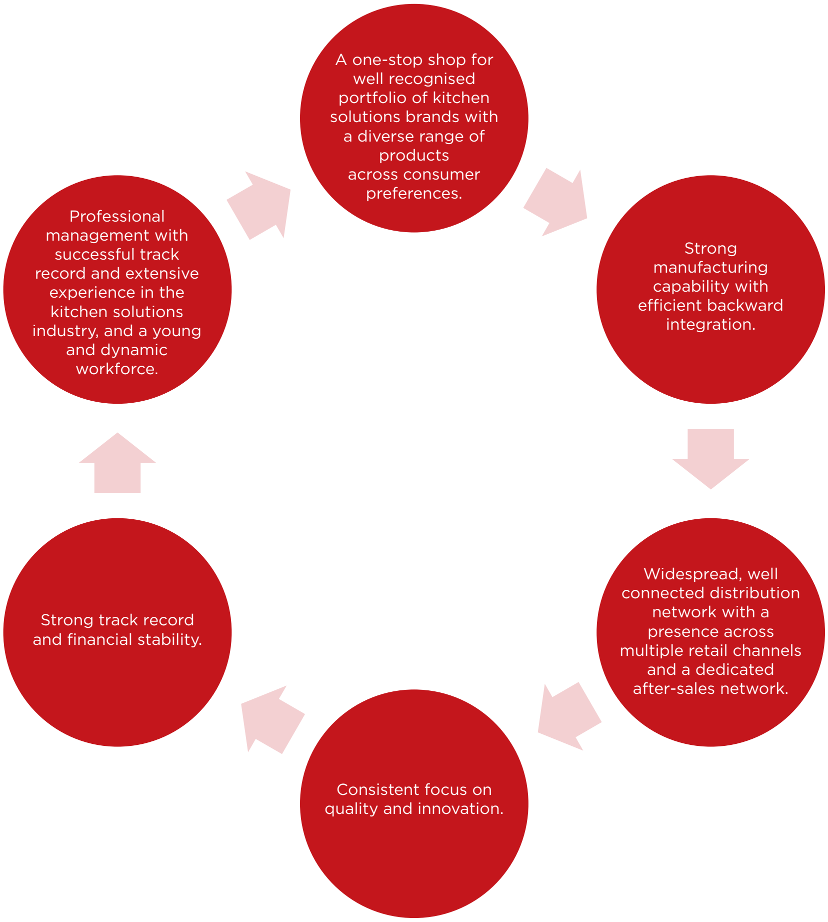
Stove Kraft is one of the prominent brands for kitchen appliances in India and among the dominant players for pressure cookers, free-standing hobs, and cooktops. The Company is engaged in the manufacture and retail of a wide suite of kitchen and home solutions under the brand name Pigeon and Gilma. The Company also retails kitchen and home solutions under the BLACK+DECKER brand. With the brands covering the value, semi-premium and premium consumer segments, the focus is on being a one-stop shop for kitchen and home solutions and offer products at unique pricing points to meet distinct consumer requirements and aspirations.

The flagship brands, Pigeon and Gilma, have a market presence of over 15 years and enjoy a high brand recall amongst consumers for quality and value for money. Pigeon has been listed as one of the "India's Most Admired Brands 2016" by White Page International. As a result of the co-branding initiatives over eight years with LPG companies such as Indian Oil Corporation Limited and Hindustan Petroleum Corporation Limited to utilise their sale and distribution channels, Pigeon brand has a wide consumer outreach. In addition to the established presence in the value and semi-premium segments through the Pigeon and Gilma brands, the Company also entered the premium segment in FY 2015-16 pursuant to its exclusive BLACK+DECKER Brand Licensing Agreement with Stanley Black & Decker, Inc. and The Black and Decker Corporation, which enables it to exclusively retail, and provide post-sales services in relation to, a wide range of products such as blenders and juicers, breakfast appliances, small cooking appliances and small domestic appliances. The Company's Gilma brand products are sold through exclusively branded outlets owned and operated by franchisees.

MANUFACTURING UNITS

The Bengaluru facility is a large unit for the manufacture of kitchen solutions, spread over ~43 acres, of which ~25 acres is available for potential expansion. It is an integrated facility comprising of 12 manufacturing units, designed to manufacture pressure cookers, non-stick cookware, hard anodised cookware, mixer grinders, induction cooktops, LPG stove, glass cooktops, IR thermometer and handy vegetable chopper. Further, the Company has also commenced manufacturing LED products in the Bengaluru facility. For FY 2019-20, it had an aggregate production capacity of 19.50 Mn units per annum and as of September 30, 2020, the aggregate production capacity increased to 38.40 Mn units per annum. It is also one of the few facilities in India to have an automated roller coating line for the manufacture of non-stick cookware (Source: F&S Report, sponsored by the Company). The Company's manufacturing facilities are backward integrated. It can manufacture components such as bakelite handles, sheet metal components, moulded parts, die cast parts, moulds, dies and fixtures in-house for the manufacture of own products. The backward integration of manufacturing facilities has reduced the dependence on third-party suppliers and OEMs for such components. The Baddi facility, operational since FY 2004-05, has an annual installed capacity of 2.80 Mn units per annum as of FY 2019-20. It has the capability to manufacture products in the LPG stove and glass cooktop categories. Both the manufacturing facilities are ISO 9001:2015 certified for implementing quality management systems.

COMPETITIVE STRENGTHS



KEY FINANCIAL RATIOS

Ratio	FY 2020-21	FY 2019-20	Formula Used	Reason for Change
Debtors Turnover (days)	40	52	Average of opening and closing receivables/average net daily revenue from operations	Majority of Company's receivables were monetised by tie-ups with channel funding partners
Inventory Turnover (days)	58	58	Average of opening and closing inventory/average net daily revenue from operations	
Interest Coverage Ratio (times)	6.00	1.62	EBITDA/finance cost	Increase in EBITDA by 3.35 times and significant reduction in working capital borrowings due to increase in cash generated from operations
Current Ratio (times)	1.41	0.84	Current Assets/Current Liabilities	Improvement in cash generated from operations and reduction in working capital borrowings
Net Debt to Equity Ratio (times)	0.05	-ve	Net Debt/Total Equity	Increased profitability, fresh equity due to IPO and conversion of CCDs into Equity
Operating Profit Margin (%)	11.65%	3.63%	Earnings before Interest & tax/Total Income	Higher Profits due to operating leverage
PAT Margin (%)	9.47%	0.47%	Profit for the period/Net income	Higher profits due to operating leverage
Return on Net Worth	27%	-5.27%	Profit for the period/equity attributable to the owners of the Company	Higher profits due to operating leverage and higher net worth due to conversion of CCDs and fresh equity from IPO

OPERATIONAL REVIEW

Despite the COVID-19 pandemic, resulting lockdown and consequent disruption in operations in the first quarter of FY 2020-21, the Company reported significant improvement in financial performance for the full year, recording the highest ever sales revenue and profitability, since inception

Financial Highlights (Standalone and Consolidated)

(₹ in Crs)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from Operations	858.96	669.86	858.96	669.86
Other Income	1.45	2.13	1.55	3.05
Total Income	**860.41**	**671.99**	**860.51**	**672.91**
Less: Total expenses	746.16	636.10	745.92	636.07
Profit before interest and depreciation	**114.25**	**35.89**	**114.59**	**36.84**
Less: Finance Cost	18.83	20.90	18.83	20.90
Less: Depreciation and amortisation expenses	14.24	12.14	14.30	12.41
Profit before Tax	**81.18**	**2.85**	**81.46**	**3.53**
Less: Tax Expense	-	-	-	0.36
Profit for the Year	**81.18**	**2.85**	**81.46**	**3.17**
Items that will not be reclassified to profit or loss	2.33	(0.26)	2.33	(0.26)
Total Comprehensive Income for the year	**83.51**	**2.59**	**83.79**	**2.91**

The pandemic-induced lockdown, imposed in the last week of March, 2020, continued into the first quarter of FY 2020-21 and the Company could resume operations, only in the first week of May' 2021. As a result, the company lost an estimated sales revenue of around ₹ 40 Crs in the first quarter of FY 2020-21

Despite the above, the company's revenue from operations (net of discounts and schemes), registered a growth of 28% from ₹ 669.86 Crs to ₹ 858.96 Crs. Of this, domestic sales accounted for ₹ 774.34 Crs (PY ₹ 618.74 Crs), recording a growth of 25% and export sales accounted for ₹ 84.62 Crs (PY ₹ 51.12 Crs), recording a growth of 65%

The Company's revenue from its primary brand 'Pigeon' registered a growth of 23% from ₹ 577 Crs to ₹ 707 Crs. Pigeon LED grew by 64%, from ₹ 33 Crs to ₹ 54 Crs. Revenue from two other brands, namely Gilma and Black & Decker, remained flat. In line with its stated strategy of exiting from public sector oil company business, the Company's revenue from this segment, further reduced to ₹ 18 Crs (PY ₹ 20 Crs). With this strategic alignment, the Company's brand business, constitutes more than 90% of total revenue

The Company has significant presence across all channels of distribution and is continuously enhancing its footprint pan-India. Despite the lockdown from pandemic, the Company's sales revenue (gross of schemes and discounts) from General Trade grew by 10% during the year under review from ₹ 379 Crs to ₹ 416 Crs. Ecommerce grew by 72% from ₹ 173 Crs to ₹ 297 Crs. Modern Retail registered a decline of 17% at ₹ 69 Crs, in view of decline in sales to one large format store. export sales accounted for ₹ 84.62 Crs (PY ₹ 51.12 Crs), recording a growth of 65%

The company continued to enhance its product offerings to customers, by introducing a range of product variants in cookware, cooktop and appliances, which has been widely accepted in the market, leading to incremental revenues

In line with its stated strategy, the company over the years, continues to reduce its dependence on imports, resulting in better margins and improved working capital velocity. The Company's revenue from traded products, reduced to 19% from 28% in the previous year

The company has significantly improved the profitability and operating ratios during the year, realising the benefits of operating leverage, improvement in gross margins and reduction in expenses, mainly in payroll, marketing and advertisement, travelling and other expenses.

The EBITDA margin (excluding other income) stood at 13.1%, as against 5.04% in the previous year.
The PAT margin stood at 9.47%, as compared to 0.47%

in previous year. The ROCE stood at 32.1% as compared to 9.30% in previous year

The Company has monetised major portion of its receivables through channel funding programmes, which is without recourse to the Company, at competitive discounting rates. As a result, the Company's receivables holding was reduced to 40 days in March 2021 from 52 days in March 2020. The Company has indigenised several products, which was earlier being imported, thereby reducing the inventory holding. The net working capital cycle reduced from 37 days in March 2020 to 27 days in March 2021

The Company used the proceeds from IPO and internal accruals to repay both working capital and term debt with various banks and financial instiutions. As part of the IPO process the balance of compulsorily convertible debentures (CCDs) amounting to ₹ 185 Crs was converted to equity. As a result, the net debt as on March 31, 2021 reduced to ₹ 15.06 Crs from ₹ 318.52 Crs as on March 31, 2020.

As a result of fresh issue of equity shares in the IPO, conversion of CCDs into equity and enhanced profitability for the year, the net worth or total equity of the Company increased to ₹ 301.45 Crs from a negative (₹ 59.95) Crs as on March 31, 2020.

RISK MANAGEMENT

Risk Management is an integral part of the Company's strategy and planning process. Based on proactive identification of risks, action plans are devised to mitigate the risks that could materially impact the Company's long-term sustainability. Risk are broadly classified as transactional, strategic and external to develop an appropriate management and mitigation approach. Typically, all transactional risks are managed through well-defined processes and internal controls, which are regularly tested for effectiveness by internal and statutory auditors. On the other hand, strategic and external risks are mitigated with approaches that involve enhancements to and through business strategy, operations and financial management, and human resource initiatives. Mitigation plans are identified with respective owners and progress of mitigation actions are monitored and reviewed. In line with the Amended SEBI (LODR) Regulations, the Company has constituted a Risk Management Committee, to oversee the identification and mitigation of various types external and strategic risks, as below:

Type of Risk	Description	Mitigation Strategy
Competition Risk	Increase in competition from new players as well as present ones can result in market share loss and decline in revenues and profitability.	The Company has a well-diversified product portfolio, and the Company's products are sold through various channels of distribution. The Company's positioning is as a 'value for money' brand, which aims to manufacture quality products and offer them at competitive prices to the consumers, across various channels of distribution. The Company has a pan-India presence, in order to be accessible to consumers. The Company's strategy is to continuously introduce new products, product variants and categories, in order to maintain and expand its consumer base. The Company's marketing, advertising and promotion spends are aimed at strengthening the brand and enhancing consumer reach. The Company also undertakes extensive R&D activities to launch unique products to explore and fill the need-gap of consumers.
Commodity Price Risk	The Company is exposed to fluctuations in the price of aluminium, aluminium derivatives, copper, plastics and steel. The market price of these commodities fluctuates due to factors, such as Government policy and level of demand and supply in the market and price movement domestically and internationally. Therefore, fluctuations in the prices of these commodities may have a significant impact on the business and financial results.	The Company's product pricing is based on cost plus model and any increase in prices in commodities are passed on, either partially or fully to the product prices, normally with a quarterly lag. The Company has a competent procurement team, which monitors the commodity prices and takes informed sourcing decisions based on demand and forecast planning. The Company's strategy on indigenisation and continuous backward integration facilitates access to critical inputs at benchmark quality and competitive costs, besides ensuring security of supply chain.

Type of Risk	Description	Mitigation Strategy
Interest Rate Risk	The Company has floating rate and marginal cost of fund-based lending rate with banks and is therefore exposed to market risk because of changes in interest rates. Upward fluctuations in interest rates increases the cost of both existing and new debt.	The Company maintains a healthy debt equity ratio with minimal net debt. Interest rate risk is largely mitigated as the Company currently generates free cash flows to fund its operations and planned capex. The Company endeavours to continuously upgrade its external credit rating to facilitate lower rates of borrowing.
Foreign Exchange Risk	Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company transacts business primarily in Indian Rupees and exports are done in US$. It also imports traded products from China designated in US$ and Chinese Yuan. As a result, it has foreign currency trade payables and receivables and is therefore exposed to foreign exchange risk.	The Company's net foreign exchange exposure (difference between foreign exchange receivables and foreign exchange payables) is progressively minimal and progressively decreasing with increase in export revenue. Hence, the Company has a natural hedge to cover its foreign exchange payables, to a large extent. For the balance foreign exchange exposure, not covered by natural hedge, the Company selective hedges the exposure, based on risk assessment.
Credit Risk	The Company is exposed to credit risk from its operating activities, primarily from trade receivables. It typically extends credit terms of 30 days to the distributors and franchisees and 60 days to modern retail and e-commerce platforms.	The Company is progressively monetising its receivables with 'without recourse' channel funding programme. Ecommerce, exports and significant portion of general trade is currently under this programme. The Company has a credit monitoring policy, with defined parameters for customers to be eligible for credit, as well as conservative provisioning policy for aged receivables.

HUMAN RESOURCES

Stove Kraft's success is rooted in the strength of its human resources, which is its primary capital.
The Company has an experienced and talented pool of employees who play a key role in enhancing business efficiency, devising strategies, setting-up systems and responding to an evolving business environment. The Company has embarked on several human resource initiatives to enhance the productivity of the organisation. The Company strives to impart regular training, knowledge building skills and supporting in areas of functional and technical development with the help of set skilled trainers. With a strong focus on digital learning, learning interventions right from induction to functional training and refresher courses, have been developed and deployed online. The management connect plays a vital role in building cross hierarchy connections. The Company endeavours to provide a safe, conducive, and productive work environment.

As on March 31, 2021, the Company had 3,312 employees on its payroll.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Regular internal audits are conducted as per the internal audit plan, reviewed and approved by the Audit Committee of Directors. The scope of the internal audit covers all aspects of business, including regular front-end and back-end operations, statutory compliances, health, safety and environment and cyber security and IT general controls. It lays emphasis on regular review of process controls, measures undertaken by the Company to monitor and implement risk mitigation policies and to check for revenue leakages, frauds or other irregularities. The Company deploys resources to ensure that its internal audit and internal control systems are adequate and effective, commensurate with the nature of business, regulatory prescriptions, and the size of its operations. The Company uses SAP S4 HANA as an effective ERP system as a business enabler, to maintain books of accounts with integrated transactional controls.

The internal control system is supplemented by regular reviews by the management. For Company-wide internal audits, the Company has deployed an independent internal audit firm to have a wider and heterogeneous verification approach and inputs and derive larger value from the audit process.
The Company's robust IT systems safeguard its sensitive data and ease out audit process. Applicable Accounting Standards are strictly followed while recording transactions. A host of strategies are devised, in addition to robust MIS systems, for real-time reporting of key financial metrics.

The internal financial controls have been designed to provide reasonable assurance on recording and providing reliable financial information complying with applicable statutes, safeguarding assets from unauthorised use ensuring that transactions are carried out with proper authorisation and approved workflows. The Company recognises that any internal control framework, no matter how well designed, has inherent limitations and accordingly, regular audit and review processes, by the internal auditors, management and Audit Committee, reinforces and improves upon such systems and processes, on an ongoing basis.

OUTLOOK

Despite the slowdown in the economy and the disruptions caused by the pandemic, the medium and long-term outlook for the Company remains optimistic. Rising discretionary income, growing urbanisation and a young demographic profile are the key drivers for growth of the home and kitchen products market in India. Increased internet penetration, growing adoption of e-commerce and growing influence of social media channels are also contributing to market growth.

India's urban consumers are increasingly seeking kitchen products that are not just functional tools but a perfect fit for their aspirational lifestyle; modern, stylish gadgets that make cooking easy and smooth and modular kitchens that make best use of limited space as well as enhance home interiors is their preference. Additionally, the pandemic has encouraged more people to cook at home driven by increased time spent indoors, their growing confidence in the kitchen, as well as the motivation that eating at home is healthier. All these factors augur well for increasing the demand of the Company's kitchen and home products.

In the rural segment, Government initiatives such as Pradhan Mantri Ujjwala Yojana, which provide for free LPG connections, has increased the Company's addressable market opportunity. Being one of the leading cooktop manufacturers in the country, the Company is confident of capturing the prospects in the rural cooktops market.

Going forward, the Company's strategy remains to expand its kitchen product portfolio across categories to meet new needs of consumers and cover newer consumer segments. The Company will also expand its offerings in the LED lighting space. The Company is currently manufacturing around 1,00,000 products a day. These products have strong market acceptance due to their high quality at great prices. The satisfied large consumer base serves as a strong marketing asset for every new product introduced by the Company, driving faster product adoption and business scalability.

Investments in branding, promotional and digital activities will be scaled up to increase brand salience and recall. Increasing plant automation for driving higher efficiencies, enhancing addressable market by capitalising on the wide distribution network and expanding overseas presence are other key focus areas for the Company. These growth strategies are backed by the Company's strong financial framework.

Finally, the Company has demonstrated agility in responding to a fluid environment in the past year. This agility along with the new learnings gained in navigating an exceptional year have made the Company a more resilient entity, capable of overcoming new challenges in its path and delivering sustainable performance in the long run.

CAUTIONARY STATEMENT

Statements in the management discussion and analysis report describing the Company's objectives, projections, estimates and expectations may be "forward-looking statements" within the meaning of applicable laws and regulations and futuristic in nature. Actual performance may differ materially from those either expressed or implied. Such statements represent intentions of the management and the efforts put into realising certain goals. The success in realising these depends on various factors both internal and external. Investors, therefore, are requested to make their own independent judgements before taking any investment decisions.

Directors' Report

Your Directors have pleasure in presenting the 22nd Annual Report of the Company and the Audited Financials of the Company for the financial year ended March 31, 2021.

CIRCULATION OF ANNUAL REPORTS IN ELECTRONIC FORM

Pursuant to Ministry of Corporate Affairs' ('MCA') circulars dated April 8, 2020, April 13, 2020, May 5, 2020 and January 13, 2021, read with SEBI Circulars dated May 12, 2020 and January 15, 2021, relaxation has been granted to the companies in respect of sending physical copies of annual report to shareholders and requirement of proxy for general meetings held through electronic mode till December 31, 2021.

Accordingly, the financial statements (including Board's Report, Corporate Governance Report, Management Discussion and Analysis, Auditors' Report and other documents to be attached therewith) are being sent only through electronic mode to those shareholders whose email addresses are registered with the Company's Registrar and Share Transfer Agent viz., K Fin Technologies Private Limited ('K Fin') /Depository Participants, and whose names appear in the register of members as on July 30, 2021. The Annual Report for FY 2020-21 is also available on the website of the Company at https://www.stovekraft.com/investors/

1. FINANCIAL HIGHLIGHTS (STANDALONE & CONSOLIDATED)

(₹ in Crs)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from Operations	858.96	669.86	858.96	669.86
Other Income	1.45	2.13	1.55	3.05
Total Income	**860.41**	**671.99**	**860.51**	**672.91**
Less: Total expenses	746.16	636.10	745.92	636.07
Profit before interest and depreciation	**114.25**	**35.89**	**114.59**	**36.84**
Less: Finance Cost	18.83	20.90	18.83	20.90
Less: Depreciation and amortisation expenses	14.24	12.14	14.30	12.41
Profit before Tax	**81.18**	**2.85**	**81.46**	**3.53**
Less: Tax Expense	-	-	-	0.36
Profit for the Year	**81.18**	**2.85**	**81.46**	**3.17**
Items that will not be reclassified to profit or loss	2.33	(0.26)	2.33	(0.26)
Total Comprehensive Income for the year	**83.51**	**2.59**	**83.79**	**2.91**

2. FINANCIAL AND BUSINESS PERFORMANCE

A detailed analysis of the financials and business performance of the Company during the year under review including the impact of the COVID-19 pandemic on your Company's business is detailed in Management Discussion and Analysis which is provided separately in the Annual Report.

3. SUBSIDIARIES, ASSOCIATES AND FIRMS

Stove Kraft India ("partnership firm" or "firm" or "Associate") where Company and Mr. Rajendra Gandhi, Managing Director, were partners in the Firm was dissolved on September 22, 2020.

The Company's policy for determination of material subsidiary, as adopted by the Board of Directors, in conformity with regulation 16 of the SEBI Listing Regulations, can be accessed on the Company's website at https://www.stovekraft.com/investors/

4. DIVIDENDS AND TRANSFER TO RESERVES

No dividends are recommended for the year and no amount is proposed to be transferred to reserves.

5. INITIAL PUBLIC OFFER (IPO)

The Company successfully made its initial public offer ("IPO") of 1,07,17,532 Equity Shares at

₹ 385 per Equity Share of the face value of ₹ 10 each which includes a fresh issue of 24,67,532 Equity Shares and an offer for sale by the selling shareholders of 82,50,000 Equity Shares of the Company. Subsequent to completion of the IPO, the paid-up Equity Share Capital of the Company as on March 31, 2021 is at ₹ 3,25,89,613.
The Company's Equity Shares was listed on BSE & NSE on February 5, 2021 and are being actively traded.

6. SHARE CAPITAL

As on March 31, 2021, the Authorised Share Capital of the Company is ₹ 40,00,00,050 /- (Rupees four hundred Million fifty only) divided into 4,00,00,005 (Forty Million five) Equity Shares of ₹ 10/- (Rupees Ten only) each and the Issued, Subscribed and Paid-up Share Capital of the Company is ₹ 32,58,96,130/- (Rupees three hundred twenty-five Million eight hundred ninety-six thousand one hundred thirty only).

Change in Authorised, Issued, Subscribed and Paid-up Share Capital of the Company for the FY 2020-21 are as follows:

Sl. No.	Particulars	March 31, 2021		March 31, 2020	
		Total No. of Equity Shares	Total Equity Capital (₹)	Total No. of Equity Shares	Total Equity Capital (₹)
1.	**Authorised**				
	a) Equity shares	4,00,00,005	40,00,00,050	3,99,99,995	39,99,99,950
	b) Class A Equity shares*	-	-	10	100
2.	**Issued, subscribed and fully paid-up:**				
	a) Equity shares	3,25,89,613	32,58,96,130	2,47,16,727	24,71,67,270
	b) Class A Equity shares*	-	-	10	100

***Note:**

10 Class A Equity shares of ₹ 10/- each were re-classified as 10 ordinary equity shares pursuant to a resolution of our Board of Directors dated January 8, 2021 and a special resolution passed by our Shareholders in their extraordinary general meeting dated January 9, 2021

7. EMPLOYEES' STOCK OPTION PLAN

Your Company, pursuant to the resolution passed by the Board dated July 10, 2018 and our Shareholders' resolutions dated September 10, 2018 and September 29, 2018 respectively adopted the ESOP Plan.
Pursuant to the ESOP Plan, options to acquire Equity Shares may be granted to eligible employees (as defined in the ESOP Plan) with a view to attracting and retaining the best talent, encouraging employees to align individual performances with Company objectives, and promoting increased participation by them in the growth of the Company.

Pursuant to the resolution passed by the Nomination and Remuneration Committee dated September 21, 2018, ESOP pool of 8,13,000 options under the ESOP Plan was approved.

As on date, Options exercised 1,29,047 shares at an exercise price ₹ 150 per share.

The applicable disclosures as stipulated under the SEBI SBEB Regulations as on March 31, 2021 are appended herewith as **Annexure - 1** to the Board's report. The details of the Plan form part of the notes to accounts of the Financial Statements in this Annual Report. The Company has received a certificate from the statutory auditors that the scheme has been implemented in accordance with SEBI Regulations and the resolutions passed by the shareholders.
The certificate would be placed at the Annual General Meeting for inspection by the members.

8. CREDIT RATING

During the year under review and as on date, your Company's credit ratings by ICRA Limited is as below:

Bank Facilities	Revised Rating (as on date)	Previous Rating (year under review)
Long Term Rating	[ICRA]A- (Stable)	[ICRA] BBB+ (Positive)
Short Term Rating	[ICRA] A2+	[ICRA] A2

9. RELATED-PARTY TRANSACTIONS

All Related-Party Transactions that were entered during the financial year were at arm's-length basis and in the ordinary course of business and is in compliance with the applicable provisions of the Act and the Listing Regulations. There were no materially significant Related-Party Transactions made by the Company during the year that required shareholders' approval under Regulation 23 of the Listing Regulations.

None of the transactions with related parties fall under the scope of Section 188(1) of the Act. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY 2020-21 and hence does not form part of this report.

10. DEPOSITS

Your Company has not accepted any deposit and as such no amount of principal and interest were outstanding as at the Financial Statement date.

11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 form part of the notes to the Financial Statements.

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Rajendra Gandhi and Mr. Rajiv Nitin Mehta retire by rotation and being eligible, offers themselves for re-appointment.

The Board on the recommendation of the Nomination & Remuneration Committee, subject to the approval of the shareholders, has approved the reappointment of Ms. Neha Gandhi as an Executive Director to hold office for a term of five (5) years from September 30, 2021.

Mr. Bharat Singh was appointed as Nominee Director by SCI Growth Investments II and Sequoia Capital India Growth Investment Holdings I (collectively called as "Sequoia") with effect from September 21, 2018 on the Board of Directors under Section 161 of the Act and as per the Company's Articles of Association. It may be noted that as per the Articles of Association of the Company as long as Sequoia holds 5% (five per cent) or more of the paid up equity share capital of the Company on a fully diluted basis, Sequoia shall have the right to nominate one director on the Board of the Company.

In accordance with the above, Sequoia Capital has nominated Mr. Bharat Singh as Non-Executive Director, liable to retire by rotation.

Pursuant to the provisions of Section 149 of the Act, the Independent Directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). During the year FY 2020-21, there has been no change in the circumstances affecting their status as Independent Directors of the Company. Pursuant to Clause VII (1) of Schedule IV of the Companies Act, 2013, the Independent Directors held a separate meeting on March 16, 2021.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board/Committee of the Company.

Key Managerial Personnel (KMP):

Mr. Rajendra Gandhi, Managing Director, Ms. Neha Gandhi, Executive Director, Mr. Rajiv Nitin Mehta, Chief Executive Officer and Whole Time Director and # Mr. Shashidhar S.K., Chief Financial Officer continued to be the Key Managerial Personnel of your Company in accordance with the provisions of Section 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

At the Board meeting held on May 25, 2021, Mr. Elangovan.S, appointed as Company Secretary and Compliance Officer of the Company in place of Mr. Shashidhar S.K., who continues as the Chief Financial Officer of the Company.

13. BOARD EVALUATION

Since your Company became listed only in Q4 part of the financial year under review, it could not conduct an exercise to evaluate the performance of the Board, Committees of the Board, Chairman of the Board, Individual Directors and the Independent Directors. However, the same will be carried out from FY 2021-22.

14. NOMINATION AND REMUNERATION POLICY

Pursuant to the provisions of Section 178 of the Act and Rules made thereunder and Regulation 19 of SEBI (LODR) Regulations, the Company's Remuneration Policy for Directors, Key

Managerial Personnel (KMP), Senior Management and other Employees of the Company is uploaded on website of the Company at https://www.stovekraft.com/investors/ The Policy includes, inter alia, the criteria for appointment and remuneration of Directors, KMPs, Senior Management Personnel and other employees of the Company.

15. REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES

The information required to be disclosed in the Board's Report pursuant to Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached to this report as **Annexure – 2**.

16. BOARD AND COMMITTEES OF THE BOARD

The number of meetings of the Board and various Committees of the Board including composition are set out in the Corporate Governance Report which forms part of this annual report.

17. STATUTORY AUDITORS

Members of the Company in their 20th AGM held on July 25, 2019, appointed M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration Number 008072S) as Statutory Auditors of the Company to hold office for a period of up to 2 (Two) years i.e. till the conclusion of 22nd AGM of the Company to be held in the FY 2020-21.

The Statutory Auditors' Report for the FY 2020-21 does not contain any qualification, reservation or adverse remarks.

The Audit Committee and the Board of Directors of the Company had at their respective meetings held on May 24, 2021 and May 25, 2021, subject to approval of the Shareholders at the forthcoming Annual General Meeting (AGM), recommended the appointment of M/s. Price Waterhouse CA LLP (Firm Registration Number: 012754N/N500016) as Company's Statutory Auditors for a period of five consecutive years, from the conclusion of the forthcoming AGM in place of Deloitte Haskins & Sells, the existing Statutory Auditors of the Company.

Accordingly, M/s. Price Waterhouse CA LLP shall conduct audit of the Company for the FY 2021-22 (commencing on April 01, 2021) onwards.

18. SECRETARIAL AUDITORS

The Board of Directors has appointed M/s. BMP & Co LLP, Bangalore Practicing Company Secretaries, to conduct Secretarial Audit of your Company. The Secretarial Audit Report for the FY 2020-21 is attached to this report as **Annexure - 3**.

In the above-mentioned report, Secretarial Auditors have made the following comment:

"The Constitution of the Nomination and Remuneration Committee was not in compliance with the Section 178 & Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as the Chairman of Committee is also the Chairman of the Board".

Board's Response to Comments of Secretarial Auditor

Re-constitution of the Nomination and Remuneration Committee has been duly carried out at the Board meeting held on May 25, 2021 which is in line with Companies Act, 2013 and the Listing Regulations.

19. FRAUD REPORTING BY AUDITORS

During the year under review, neither the Statutory Auditors, Internal Auditors and Secretarial Auditors have not reported any instances of fraud committed by the Company or against the Company under Section 143 (12) of the Companies Act, 2013.

20. COST AUDIT

Your Directors have, on the recommendation of the Audit Committee, appointed M/s. GS & Associates, Cost Accountants to audit the cost records of the Company for the FY 2020-21 on a remuneration of ₹ 1,00,000/- (Exclusive of applicable taxes) plus out-of-pocket expenses. As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their approval. Accordingly, a Resolution seeking Members' approval for the remuneration payable to M/s. GS & Associates, Cost Auditors is included in the Notice of the Annual General Meeting. The Company has made and maintained cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

21. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has complied with the provisions under Section 134 of the Act and rules made thereunder relating to constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, no complaint was filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and no complaint was pending at the beginning and end of FY 2020-21.

22. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to the provisions of Section 177 of the Act and Regulation 22 of SEBI (LODR) Regulations, the Company has adopted a Vigil Mechanism / Whistle Blower Policy to provide a platform to the employee, vendors, customers and other third-party agencies of the Company to raise concerns regarding any irregularity, misconduct or unethical matters / dealings within the Company. The same is detailed in the Corporate Governance Report which forms part of this annual report.

23. RISK MANAGEMENT

Risk Management is an integral part of the Company's strategy and planning process. Based on proactive identification of risks, action plans are devised to mitigate the risks that could materially impact the Company's long-term sustainability and accordingly your Board has constituted a Risk Management Committee at its meeting held on May 25, 2021, which will oversee risk management process in the Company.

More details on risk management is furnished in MD&A report which forms part of the Annual Report.

24. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has constituted a CSR Committee with Mr. Rajendra Gandhi, Mrs. Shubha Rao Mayya and Mr. Lakshmikant Gupta as Members of the Committee.

The provisions of Section 135 of the Companies Act, 2013, with respect to corporate social responsibility, is not applicable to the Company, as the Company does not meet any of the criteria specified in the said section.

The CSR policy of the Company is displayed on the Company's website https://www.stovekraft.com/investors/ in accordance with Rule 9 of the aforesaid Rules.

25. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) (c) read with Section 134(5) of the Act, the Directors state that:

a) in preparation of the annual accounts for the Financial Year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2021 and of the profits of the Company for the period ended on that date;

c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

d) the annual accounts have been prepared on a going concern basis;

e) proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f) proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

26. OTHER INFORMATION

Management Discussion & Analysis Report

Management Discussion & Analysis Report for the year under review, as stipulated under Regulation 34(2)(e) of SEBI (LODR) Regulations, forms part of the Annual Report.

Business Responsibility Reporting

As per NSE and BSE market capitalisation your Company is falling within the purview of top 1,000 listed entities. By market capitalisation, the Company is required to present business responsibility report. A Business Responsibility Report is attached and forms part of the Annual Report.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) read with Rule 8 of the Companies (Accounts) Rules, 2014 is attached to this report as **Annexure - 4**.

Corporate Governance Report

Your Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by Securities and Exchange Board of India. The report on Corporate Governance as stipulated under the SEBI (LODR) Regulations is attached to this report as **Annexure - 5**. The certificate from M/s. BMP & Co LLP, Bangalore Practicing Company Secretaries confirming compliance with the conditions of corporate governance is also attached to the Corporate Governance Report.

Listing

The Equity Shares of the Company are listed on the NSE and BSE Limited. Both these stock exchanges have nationwide trading terminals. Annual listing fee for the FY 2020-21 has been paid to the NSE and BSE Limited.

Extract of the Annual Return

Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, copy of the Annual Return of the Company for FY 2020-21 prepared in accordance with Section 92(1) of the Act has been placed on the website and is available at https://www.stovekraft.com/investors/

Material Changes and Commitments affecting Financial Position between the end of the Financial year and date of the Report

The Company had acquired a 45% stake in the equity of Megasun Solar Tech Private Limited on April 2021 for ₹ 37,26,000, which was completely divested in the month of June 2021. For similar sum as a result thereto, Megasun Solar Tech Private Limited has ceased to be an Associate Company of Stove Kraft.

Apart from the above, there are no other material changes and commitments which affect the financial position of the Company that have occurred between the end of the financial year to which the financial statements relate and the date of this report.

Cautionary Statement

Statements in the Board's Report and the Management Discussion & Analysis Report describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable laws and regulations. Actual results may differ from those expressed in the statements.

General

Your Directors confirm that no disclosure or reporting is required in respect of the following items as there was no transaction on these items during the year under review:

a) Issue of equity shares with differential voting rights as to dividend, voting or otherwise.

b) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Acknowledgement

Your Directors wish to place on record their appreciation of the continuous efforts made by all employees in ensuring excellent all-round operational performance. We also wish to thank our Customers, Vendors, Shareholders and Bankers for their continued support.
Your Directors would like to express their grateful appreciation to the Union Government and Government of Karnataka for their continued co-operation and assistance.

For and on behalf of the Board

Rajendra Gandhi
Managing Director

Rajiv Nitin Mehta
CEO & Whole-Time Director

Place: Bangalore, Harohalli
Date: July 29, 2021

Annexure - 1

DISCLOSURE PURSUANT TO RULE 12(9) OF THE COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014 AND REGULATION 14 OF SECURITIES AND EXCHANGE BOARD OF INDIA (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014 AS AT MARCH 31, 2021

A. Summary of Status of ESOPs Granted

Sl. No.	Particulars	
1.	Date of Shareholders' Approval EGM:	**September 10, 2018**
	AGM	**September 29, 2018**
2.	Total Number of Options approved under ESOP Scheme	**8,13,000**
3.	Vesting Requirement	Options granted under Plan shall vest not earlier than 1 (One) year and not later than maximum Vesting Period of 5 (Five) years from the date of Grant.
4.	Exercise Price or Pricing Formula	The Exercise Price shall be equal to the Fair Market Value of a Share of the Company as on date of Grant, subject to conformity with Regulation 15 of the SBEB Regulations. The specific Exercise Price shall be intimated to the Option Grantee in the Grant Letter at the time of Grant.
5.	Maximum Term of Options Granted	5 years
6.	Source of Shares	Fresh issue / Primary shares of the Company
7.	Variation in terms of ESOP	N.A.
8.	Method used to account for ESOP	
9(1)	Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options shall be disclosed.	Refer note 35 of the standalone financial statement
9(2)	The impact of this difference on profits and on EPS of the Company shall also be disclosed.	

Option Movement during the FY 2020-21

Sl. No.	Particulars	ESOP 2018	Weighted Avg Exercise Price
1	Options Outstanding at the Beginning of the Year	6,18,353	150
2	Number of Options Granted during the Year	2,70,725	150
3	Options Forfeited / Surrendered during the Year	1,45,465	150
4	Options Vested during the Year	2,77,788	150
5	Options Exercised during the Year	1,27,197	150
6	Options Lapsed during the Year	0	0
7	Total Number of Shares Arising as a Result of Exercise of Options	1,27,197	150
8	Money Realised by Exercise of Options	₹ 1,90,79,550	
9	Options Outstanding at the End of the Year	6,16,416	150
10	Options Exercisable at the End of the Year	1,50,591	150

Employee-wise details of options granted during the FY 2020-21 to:

(a) Options granted to Senior managerial personnel during the year: 2,70,725

(b) Any other employee who received a grant during the year, options amounting to 5% or more of option granted during the year – NIL

(c) Identified employees who were granted options during the year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant – NIL

Description of the method and significant assumptions used during the year to estimate the fair value of options including the following information – As per financial statement

Annexure - 2

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(i) Ratio of the Remuneration of each Director to the median remuneration of employees of the Company for the FY 2020-21, the percentage increase in remuneration of each director, chief financial officer and company secretary during the FY 2020-21:

(₹ in Mn)

Sl. No.	Name of Director/KMP and Designation	Remuneration of Director/ KMP for FY 2020-21	% Increase in Remuneration in FY 2020-21	Ratio of Remuneration of Director to Median Remuneration of Employees in FY 2020-21
1.	Mr. Lakshmikant Gupta (Chairman & Independent Director)	0.9	-	6.43:1
2.	Mr. Rajendra Gandhi (Managing Director)	8.71	(14.00)	62.21:1
3.	Mr. Rajiv Mehta Nitin (CEO & Whole-Time Director)	19.63	34.00	140.21:1
4.	Ms. Neha Gandhi (Executive Director)	2.0	(13)	14.29:1
5.	Mr. Bharat Singh (Nominee Director)	-	-	-
6.	Mrs. Shubha Rao Mayya (Independent Director)	0.9	-	6.43:1
7.	Mr. Shashidhar S.K. (Chief Financial Officer & Company Secretary)	6.6	(15)	

Note: Sitting fees were paid to independent directors for attending Board/Committee meetings.

(ii) Percentage increase in remuneration of each Whole-Time Director, in the financial year ended on March 31, 2021:

There was 8% increase in remuneration of any one of the above-named in the financial year ended on March 31, 2021.

(iii) Percentage increase in the median remuneration of employees in the financial year ended on March 31, 2021:

There was no increase in the median remuneration of employees in the financial year ended on March 31, 2021.

(iv) Number of permanent employees on the rolls of Company:

There were 3,312 permanent employees on the rolls of Company as on March 31, 2021.

(v) Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration:

The average increase in the salaries of managerial personnel during the year was 6.00% and there is no increase in salary of other than managerial personnel.

The increase in the remuneration of managerial personnel is in correlation to their individual performance and to the performance of the Company.

(vi) Affirmation that the remuneration is as per the remuneration policy of the Company:

It is hereby affirmed that the remuneration paid during the year is as per the Nomination and Remuneration Policy of the Company.

The information in respect of employees of the Company required pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, will be provided on request. In terms of Section 136 of the Act, the Reports and Accounts are being sent to the Members and others entitled thereto excluding the aforementioned particulars of employees, which is available for inspection by the Members at the Registered Office of the Company during business hours on any working day. Any member desirous of obtaining a copy of the same may write to the Company at cs@stovekraft.com

Annexure - 3

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
STOVE KRAFT LIMITED
(Formerly known as STOVE KRAFT PRIVATE LIMITED)
U29301KA1999PLC025387
81/1, Medamarana Halli Village, Harohalli Hobli, Kanakapura Taluk, Ramanagar District - 562 112

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices, under the Companies Act, 2013, by STOVE KRAFT LIMITED, (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021, has complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder to the extent of its applicability to a listed Company;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

  a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  c. The Securities and Exchange Board of India (Share Benefits Employee Benefits) Regulations, 2014;

  d. The Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2009;

  e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; – Not applicable as the Company does not have any debt;

  f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; – Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;

  g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; – Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review; and

  h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - Not Applicable as the Company has not done any buyback of its securities during the financial year under review.

vi. Other laws applicable to the Company namely:

1. Factories Act, 1948 & the Central Rules or Concerned State Rules, made thereunder.
2. Boilers Act, 1923 & Rules made thereunder.
3. Indian Electricity Act, 1956 & its Central Rules / Concerned State Rules, made thereunder.
4. Gas Cylinder Rules, 1981 (Under Indian Explosives Act).
5. Static and Mobile Pressure Vessels (Unfired) Rules, 1981 (Under Indian Explosives Act).
6. Environment (Protection) Act, 1986.
7. The Water (Prevention and Control of Pollution) Act, 1974 & Central Rules/ Concerned State Rules.
8. The Air (Prevention and Control of Pollution) Act, 1981 & Central Rules / Concerned State Rules.
9. Hazardous Wastes (Management and Handling) Rules, 1989.
10. Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989.
11. The Contract Labour (Regulation and Abolition) Act, 1970 & its Central Rules/ Concerned State Rules.
12. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 & EPF, FPF Schemes.
13. The Employees' State Insurance Act, 1948 & its Central Rules/Concerned State Rules.
14. The Minimum Wages Act, 1948 & its Central Rules/Concerned State Rules/Notification of Minimum Wages applicable to various class of Industries / Trade.
15. The Payment of Wages Act, 1936 & its Central Rules/Concerned State Rules, if any.
16. The Payment of Bonus Act, 1965 & its Central Rules/Concerned State Rules, if any.
17. The Payment of Gratuity Act & its Central Rules/Concerned State Rules, if any.
18. The Maternity Benefit Act, 1961 & its Rules.
19. The Equal Remuneration Act, 1976.
20. The Industrial Employment (Standing Orders) Act, 1946 & its Rules.
21. The Apprentices Act, 1961 & its Rules.
22. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959.
23. The Workmen's Compensation Act, 1923.
24. The Industrial Dispute Act, 1947.
25. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

We have also examined compliance with the following:

i. Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI);

ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review, the Company has materially complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

I. The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

II. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

III. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

IV. We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

V. During the Audit Period, the Company has obtained the approval of its shareholders for making an Initial Public Offering of its shares, and the approval of the Registrar of Companies, Securities and Exchange Board of India and other authorities has been obtained. The Company has successfully concluded a ₹ 412.6 Crs Initial Public Offering (IPO) and listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) on February 5, 2021.

VI. The Constitution of the Nomination and Remuneration Committee was not in compliance with Section 178 & Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as the Chairman of Committee is also the Chairman of the Board.

VII. As informed, the Company has responded to notices for demands, claims, penalties etc. levied by various statutory / regulatory authorities and initiated actions for corrective measures, wherever necessary.

VIII. There are no other specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines etc., having a major bearing on the Company's affairs.

For **BMP & Co. LLP**
Company Secretaries

Pramod S M
Partner
FCS No: 7834
CP No: 13784

Place: Bangalore
Date: May 25, 2021
UDIN: F007834C000367149

This report to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,
The Members,
STOVE KRAFT LIMITED
(Formerly known as STOVE KRAFT PRIVATE LIMITED)
U29301KA1999PLC025387
81/1, Medamarana Halli Village Harohalli Hobli,
Kanakapura Taluk Ramanagar Dist 562112

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on my audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for my opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

7. We further report that, based on the information provided by the Company, its officers, authorised representatives during the conduct of the audit and also on the review of quarterly compliance report by the respective departmental heads / Company Secretary / Director taken on record by the Board of the Company, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like Labour laws & Environment laws.

8. We further report that the Compliance by the Company of applicable Financial laws like Direct & Indirect tax laws has not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

For **BMP & Co. LLP**
Company Secretaries

Pramod S M
Partner
FCS No: 7834
CP No: 13784

Place: Bangalore
Date: May 25, 2021
UDIN: F007834C000367149

Annexure - 4

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

(a) Conservation of Energy

(i)	Steps taken or impact on conservation of energy	Company has an Energy Purchase Agreement with Clean Wind Power (Manvi) Private Ltd & Vyshali Energy Private Ltd for solar & wind energy respectively as alternative sources of energy. In FY 2020-21, we consumed 8.09 Mn Units from alternate source of Power i.e. 76.7% of total power consumption. 1. As per agreement with Vyshali Energy Private Limited, we have to increase our stake by 2,234 equity shares amounting to ₹ 0.02 Mn i.e. totalling to 5,732 equity shares for 0.58% stake.
(ii)	Steps taken by the Company for utilising alternate sources of energy	
(iii)	Capital investment on energy conservation equipments	

(b) Technology Absorption

(i)	Efforts made towards technology absorption	We have investment in increasing our manufacturing capability and automated LED Bulbs & Batten Unit, Induction Cooktop Unit & Handy Chopper Unit We have also invested in PCB Manufacturing for our LED Bulbs & Batten
(ii)	Benefits derived like product improvement, cost reduction, product development or import substitution	It has helped us to increase our manufacturing capability, reducing cost of the product and import substitution. This will also enhance the quality of the products.
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	₹ 9.9 Mn
	(a) Details of technology imported	-
	(b) Year of import	FY 2019-20
	(c) Whether the technology been fully absorbed	yes
	(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	-
(iv)	Expenditure incurred on Research and Development	₹ 1.8 Mn

(c) Foreign Exchange Earnings & Outgo

Sl. No.	Particulars	Amount (₹ in Mn)
(i)	Earnings in Foreign Currency	869.2
(ii)	Expenditure in Foreign Currency	2,434.4

For and on behalf of the Board

Rajendra Gandhi
Managing Director

Place: Bangalore, Harohalli
Date: July 29, 2021

Rajiv Nitin Mehta
CEO & Whole-Time Director

Report on Corporate Governance

A Report on compliance with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations") for the FY 2020-21 is given herein below:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Stove Kraft Limited ("the Company") is a value-driven organisation with a purpose to establish a long-standing, trust-driven relationship with shareholders, employees, customers, suppliers and all other stakeholders. The Company strives to ensure that its performance is driven by utmost integrity and transparency. In pursuit of this objective, the policies of the Company are designed to strengthen the ability of the Board of Directors to supervise the management and to enhance long-term shareholder value.

2. BOARD OF DIRECTORS

Composition of the Board:

Pursuant to regulation 17 (1)(b) of Listing Regulations, the chairperson of the Board of Directors is a Non-Executive Director, at least one-third of the Board of Directors shall comprise of Independent Directors and where the listed entity does not have a regular non-executive Chairperson, at least half of the Board of Directors shall comprise of Independent Directors.

The composition and category, shareholdings, the attendance at Board Meetings and last annual general meeting ('AGM'), number of Directorships in other Public Companies is as follows:

Name of the Director	Share Holdings	Category (#)	No. of Board Meetings Attended held	Attendance at the last AGM	No. of other Public Limited Companies in which Director	No. of Memberships and Chairpersonship in Committees of other Public Companies
Mr. Rajendra Gandhi	1,74,93,919	E, P	5/5	Yes	-	-
Mr. Rajiv Nitin Mehta	30,119	E	5/5	Yes	-	-
Ms. Neha Gandhi	1	E, P	1/5	Yes	-	-
Mr. Bharat Singh	0	NE, ND	5/5	No	-	-
Mr. Lakshmikant Gupta	0	NEC, I	5/5	No	-	-
Mrs. Shubha Rao Mayya	0	NE, I	5/5	No	2	Membership-3 Chairmanship-2

EC = Executive Chairperson, E = Executive Director, I = Independent, NE = Non-Executive, P = Promoter, ND = Nominee Director, NEC = Non-Executive Chairman

Note:

1. Committee Membership / Chairman of Audit Committee and Stakeholders Relationship Committee of Public Companies are considered
2. None of the Directors on the Board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a Director
3. Based on the declarations received from the Independent Directors, the Board confirms that they meet the criteria of independence as mentioned under SEBI Listing Regulations (LODR) and that they are independent of the management.
4. Apart from Mr. Rajendra Gandhi & Ms Neha Gandhi, none of the other Directors is related to each other.
5. Mrs. Shubha Rao Mayya is a Non-Executive Independent Director in Happiest Minds Technologies Limited (A listed company)

Core Skills / Expertise / Competencies available with the Board

The Board comprises qualified Members who possess required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees.

The Matrix setting out the Skills, Expertise and Competencies available with the Board in context of business of the Company is as under:

Sl. No.	Name of the Director	Factory Operations	Strategic Planning	Industry Experience, Technical, Research & Development and Innovation	Global Business	Finance & Legal	Corporate Governance, Compliance & Risk Management
1.	Mr. Rajendra Gandhi	✓	✓	✓	✓	✓	✓
2.	Mr. Rajiv Nitin Mehta	-	✓	✓	✓	✓	✓
3.	Ms. Neha Gandhi	-	✓	✓	✓	✓	✓
4.	Mr. Bharat Singh	-	✓	✓	✓	✓	✓
5.	Mr. Lakshmikant Gupta	-	✓	✓	✓	✓	✓
6.	Mrs. Shubha Rao Mayya	-	✓	✓	✓	✓	✓

In the table, the specific areas of focus or expertise of individual Board members have been highlighted. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skill.

3. DETAILS OF BOARD MEETINGS HELD DURING FY 2020-21

During the year under review, the Board met 5 times on July 27, 2020, November 19, 2020, January 8, 2021, January 31, 2021 and on February 23, 2021.

4. BOARD COMMITTEES:

A. Audit Committee

At present, the Audit Committee comprises of three Directors out of which two directors are Independent Directors. All the members of Audit Committee are financially literate. The Company Secretary acts as the Secretary of the Committee.

Terms of Reference:

I. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

II. Recommending to the Board, the appointment, re-appointment, and replacement, remuneration, and terms of appointment of the internal auditor, cost auditors and statutory auditor and the fixation of audit fee;

III. Reviewing and monitoring the auditor's independence and performance and the effectiveness of audit process;

IV. Approving payments to the statutory, internal and cost auditors for any other services rendered by statutory auditors, internal and cost auditors;

V. Reviewing with the Management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

a) Matters required to be stated in the Directors' responsibility statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act, 2013;

b) Changes, if any, in accounting policies and practices and reasons for the same;

c) Major accounting entries involving estimates based on the exercise of judgement by Management;

d) Significant adjustments made in the financial statements arising out of audit findings;

e) Compliance with listing and other legal requirements relating to financial statements;

f) Disclosure of any related party transactions;

g) Modified opinions in the draft audit report.

VI. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval;

VII. Scrutiny of inter-corporate loans and investments;

VIII. Valuation of undertakings or assets of the Company, wherever it is necessary;

IX. Approval or any subsequent modification of transactions of the listed entity with related parties;

X. Evaluating internal financial controls and risk management systems; and

XI. Approval or any subsequent modification of transactions of the Company with related parties, provided that the Audit Committee may make omnibus approval for related-party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

Explanation:

The term "related-party transactions" shall have the same meaning as provided in Clause 2 (zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.

XII. Reviewing with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

XIII. Evaluating undertakings or assets of the Company, wherever necessary;

XIV. Establishing a vigil mechanism for Directors and employees to report their genuine concerns or grievances;

XV. Reviewing, with the Management, the performance of statutory and internal auditors and adequacy of the internal control systems;

XVI. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

XVII. Discussion with internal auditors on any significant findings and follow-up thereon;

XVIII. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

XIX. Discussion with statutory auditors, internal auditors, secretarial auditors and cost auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

XX. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

XXI. Approval of appointment of the Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

XXII. Approval of the appointment of Chief Financial Officer after assessing the qualifications, experience qualifications, experience and background, etc. of the candidate;

XXIII. Reviewing the functioning of the whistle blower mechanism, in case the same is existing;

XXIV. Reviewing the utilisation of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 Crs or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision;

XXV. Carry out other functions as is mentioned in the terms of reference of the Audit Committee;

XXVI. Carrying out any other functions as provided under the Companies Act, the Listing Regulations and other applicable laws; and

XXVII. To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time.

Details of Audit Committee meetings

During the year under review, the Audit Committee met three times on July 24, 2020, November 19, 2020 & February 23, 2021.

Note: The mandatory compliance under Listing Regulations to hold prescribed number of meetings in a year became applicable to the Company from February 5, 2021, the date from which the Company got listed on the Stock Exchanges. The Company has complied with the requirement as applicable to it.

Sl. No.	Name of the Member	Position held in the Committee	Attended
1	Mrs. Shubha Rao Mayya	Chairperson	3/3
2.	Mr. Lakshmikant Gupta	Member	3/3
3.	Mr. Rajendra Gandhi	Member	3/3

B. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is responsible to look into various aspects of interest of shareholders, debenture holders and other security holders. The terms of reference of the Committee includes enquiring into and redressing complaints of shareholders and investors and to resolve their grievances.

During the year under review, the Committee met on March 16, 2021, attended by all the Committee members. Name of the Compliance Officer as on March 31, 2021 - Mr. Shashidhar S.K., CFO and Company Secretary.

Composition of the Stakeholders' Relationship Committee comprises of three Directors of the Company:

Sl. No.	Name of the Member	Position held in the Committee	Attended
1.	Mr. Lakshmikant Gupta	Chairperson	1/1
2.	Mrs. Shubha Rao Mayya	Member	1/1
3.	Mr. Rajendra Gandhi	Member	1/1

Complaints received from Investors during the year:

Nature of Compliant	Received	Cleared
Clarification regarding shares	5	5
Non-receipt of refund order	220	220
Non-receipt of Electronic Credits	1	1
Total	**226**	**226**

C. Nomination and Remuneration Committee

The Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half shall be independent directors.

Composition of the Nomination and Remuneration Committee comprises of three Directors of the Company.

Details of Nomination and Remuneration Committee Meetings held as on March 31, 2021:

During the year under review, the Nomination and Remuneration Committee met two times i.e., on July 27, 2020, & February 11, 2021.

Sl. No.	Name of the Member	Position held in the Committee	Attended
1.	Mr. Lakshmikant Gupta*	Chairperson	2/2
2.	Mrs. Shubha Rao Mayya**	Member	2/2
3.	Mr. Bharat Singh	Member	2/2

*w.e.f., May 25, 2021, Mr. Lakshimikant Gupta stepped down from the Chairmanship of Nomination and Remuneration Committee

**w.e.f., May 25, 2021, Mrs. Shubha Rao Mayya, was appointed as Chairperson of the Committee

The terms of reference of the Nomination and Remuneration Committee include:

1. Formulate a criterion for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the

remuneration of the Directors, Key Managerial Personnel and other employees.

2. Formulating criteria for evaluation of independent directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
5. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and
6. recommend to the Board, all remuneration, in whatever form, payable to senior management.

The Nomination and Remuneration policy of the Company lays down the criteria of appointment and remuneration of Directors and Key Managerial Personnel including criteria for determining qualification, positive attributes, independence of Directors, criteria for performance evaluation of Executive and Non-Executive Directors (including Independent Directors) and other matters as prescribed under the provisions of the Act and the SEBI Listing Regulations (LODR) Regulations.

An indicative list of factors that may be evaluated including but not limited to participation and contribution by a Director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behaviour and judgement.

Remuneration of Directors

Details of remuneration paid to Directors of the Company for the Financial Year ended March 31, 2021, are as follows:

(₹ in Mn)

Sl. No.	Name	Sitting Fee	Salary	Perquisite	Commission/ Bonus/ Incentive	Stock Options	Total
1	Mr. Rajendra Gandhi	-	8.71	-			8.71
2	Mr. Rajiv Nitin Mehta	-	19.63	-		13.24#	19.63*
3	Ms. Neha Gandhi	-	2.02	-			2.02
4	Mr. Bharat Singh	-	-	-		-	-
5	Mr. Lakshmikant Gupta	0.9	-	-			0.9
6	Mrs. Shubha Rao Mayya	0.9	-	-			0.9

Value is derived based on the Fair value of ESOPs grants

* Does not include fair value of ESOPs grant

The details of specific service contracts, notice period and severance fees etc. are governed by the appointment letter issued to respective Director at the time of his / her appointment.

Criteria of making payments to Non-Executive Directors including all pecuniary relationship or transactions of Non-Executive Directors.

The Independent Directors are not paid any remuneration other than the sitting fee for attending meetings of the Board and the Committees thereof as approved by the Board.

There has been no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company's during the year except the sitting fee paid to them as detailed above.

D. RISK MANAGEMENT COMMITTEE

The Company's Risk Management strategy is primarily driven by its internal audit function and internal business reviews and the risks as evaluated in Audit Committee Meetings.
The Company, going forward will formulate a Risk Management Policy and building a risk register, identifying the key risks the Company is exposed to. Suitable mitigation measures are formulated, implemented for various risks that are identified.

However, provisions of Regulation 21 of SEBI Listing Regulations (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to Company as on March 31, 2021.

SEBI vide notification no. SEBI/LAD-NRO/GN/2021/22 dated May 5, 2021, mandates that the top 1,000 listed entities based on market capitalisation shall constitute risk management committee for "top 1,000 Listed Companies". Your Company is listed as 640th of Top 1,000 listed companies in NSE, based on market capitalisation. In accordance with the above requirement, the Company has constituted Risk Management Committee on May 25, 2021.

5. GENERAL BODY MEETINGS

Annual General Meeting

The Annual General Meetings ('AGM') of the Company during the preceding three years were held at the following venues, dates and times, wherein the following special resolutions were passed:

AGM	Financial Year	Day, Date & Time	Venue	Brief description of Special Resolutions
21st	2019-20	Thursday, September 24, 2020 at 11:30 a.m.	**Registered Office:** #81/1 Medamaranahalli, Harohalli Hobli, Harohalli Industrial Area, Ramanagara District, Bangalore 562112	Re-appointment of Mr. Rajendra Gandhi as Managing Director
20th	2018-19	Thursday, July 25, 2019 at 11:30 a.m.	**Registered Office:** #81/1 Medamaranahalli, Harohalli Hobli, Harohalli Industrial Area, Ramanagara District, Bangalore 562112	Alteration of the main object clause of the Memorandum of the Company
19th	2017-18	Saturday September 29, 2018 at 12:00 Noon	**Registered Office:** #81/1 Medamaranahalli, Harohalli Hobli, Harohalli Industrial Area, Ramanagara District, Bangalore 562112	- Ratification of Cost Auditor's Remuneration - Approval of increasing the maximum number of options to be issued per employee and in aggregate per employee under ESOP - Approval for payment of managerial remuneration to Mr. Rajendra Gandhi and Ms. Neha Gandhi

Postal Ballot

During the year under review, no resolutions were passed through Postal Ballot. Further, as on date of this report, no Resolutions are proposed to be passed through postal ballot.

6. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The familiarisation programme imparted to Independent directors is displayed in Company website and can be accessed at https://www.stovekraft.com/investors/

7. VIGIL MECHANISM / WHISTLE BLOWER POLICY

In compliance with the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, the Company has framed a Vigil Mechanism/Whistle Blower Policy and the same has also been placed in the website of the Company. The Company affirms that no personnel have been denied access to the Audit Committee. Whistle Blower Policy is available on the website of the Company – https://www.stovekraft.com/investors/.

No grievance has been reported to the Audit Committee during the year.

8. CONTACT DETAILS OF COMPLIANCE OFFICER

Mr. Elangovan. S
Company Secretary and Compliance Officer
#81/1, Medamarana Halli Village, Harohalli Hobli,
Kanakapura Taluk, Ramnagar District, 562 112
Post, Bengaluru – 560 048.
Ph. No. 080-67141111
E-mail: cs@stovekraft.com
Tel: +91 80 2801 6222 Fax: +91 80 2801 6209

The Board of Directors at their meeting held on May 25, 2021, has appointed the appointment of Mr. Elangovan. S (Membership No: A 39753) as the Company Secretary & Compliance Officer of the Company with effect from May 25, 2021, in place of Mr. Shashidhar S.K., who continues to be the CFO.

9. RELATED-PARTY TRANSACTIONS

The statutory disclosure requirements relating to related-party transactions have been complied within the Annual Accounts (Note 39). There were no material transactions during the FY 2020-21 that are prejudicial to the interest of the Company.

The policy on dealing with related-party transactions can be accessed at https:/www.stovekraft.com/investors/

10. DIVIDEND DISTRIBUTION POLICY

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Dividend Distribution Policy which inter alia, lays down various parameters relating to declaration/recommendation of dividend. The policy is available on the Company's website at Website: https:/www.stovekraft.com/investors/

11. SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has in place a Prevention of Sexual Harassment Policy and an Internal Complaints Committee as per the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company did not received any complaint during the year.

12. MEANS OF COMMUNICATION

The outcome of the Board Meeting, quarterly and annual financial results are sent to Stock Exchanges immediately after the Board approval. The quarterly and annual financial results are also available in Company website i.e., https:/www.stovekraft.com/investors/.
The quarterly and annual financial results are published in Economic Times (English) and Vijaya Karnataka (Kannada) newspapers. The Company's announcement and outcome of the investors meet are also published in Company website.

13. GENERAL CORPORATE AND SHAREHOLDER INFORMATION:

Date of Incorporation	June 28, 1999
Registered Address	**Registered Office:** #81/1 Medamaranahalli, Harohalli Hobli, Harohalli Industrial Area, Ramanagara District, Bangalore 562112
Corporate Identification Number (CIN)	U29301KA1999PLC025387
Listing on Stock Exchanges	**BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001
	National Stock Exchange of India Ltd. Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex Bandra (E), Mumbai - 400 051
Scrip Code	**BSE:** 543260 **NSE:** STOVEKRAFT
Listing Fees	Annual Listing Fees paid to NSE and BSE
Annual General Meeting	August 31, 2021 For details please refer Notice of the AGM
Financial Year	April 1 to March 31
Financial Calendar	Board Meetings for approval of financial results and annual accounts: Q1 2021-22 : July-August 14, 2021 Q2 2021-22: October-November 14, 2021 Q3 2021-22: January-February 14, 2022 Q4 2021-22: April-May 30, 2022
Share Registrar and Transfer Agents	**KFin Technologies Private Limited** (formerly known as Karvy Fintech Private Limited) Karvy Selenium Tower B Plot 31-32 Gachibowli Financial District Nanakramguda Hyderabad 500 032

Investors' correspondence may be addressed to	Elangovan. S, Company Secretary and Compliance Officer #81/1, Medamarana Halli Village, Harohalli Hobli, Kanakapura Taluk, Ramnagar District, 562 112 Ph. No. 080-67141111 E-mail: cs@stovekraft.com Tel: +91 80 2801 6222 Fax: +91 80 2801 6209
Plant Location	Bengaluru, Karnataka; Baddi, Himachal Pradesh

14. DISTRIBUTION SCHEDULE OF SHAREHOLDINGS AS ON MARCH 31, 2021

No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 - 5,000	19,601	99.30	23,41,197	7.19
5,001 - 10,000	60	0.30	4,31,031	1.32
10,001 - 20,000	29	0.15	3,92,710	1.22
20,001 - 30,000	8	0.04	1,92,743	0.59
30,001 - 40,000	9	0.05	3,21,080	0.99
40,001 - 50,000	4	0.02	1,80,153	0.55
50,001 - 1,00,000	6	0.03	5,12,094	1.57
1,00,001 and above	22	0.11	2,81,77,155	86.57

15. SHAREHOLDING PATTERN AS ON MARCH 31, 2021

Category	No. of Shareholders	No. of Shares held	% to Total No. of Shares
Promoters	3	1,76,93,920	54.36
Bodies corporates	185	47,62,343	14.63
Resident individuals	18,791	36,85,567	11.32
Foreign portfolio - corp	11	26,74,138	8.21
Mutual funds	3	21,97,645	6.75
Alternative investment fund	5	5,39,577	1.66
Qualified institutional buyer	1	3,63,659	1.12
HUF	386	2,59,946	0.80
Trusts	3	1,46,296	0.45
Clearing members	95	1,10,774	0.34
Non-Resident Indians	160	57,632	0.18
Non-Resident Indian non-repatriable	96	56,666	0.17
Total	**19,739**	**3,25,48,163**	**100.00**

Note:

Sl. No.	Particulars	Shares
1.	Total Equity Shares as on March 31, 2021	3,25,89,613
2.	Shareholding pattern filed with stock exchanges for the quarter ended March 31, 2021	3,25,48,163
3.	**Difference (1-2)**	**41,450**

Explanation for above mentioned difference of 41,450 equity shares:

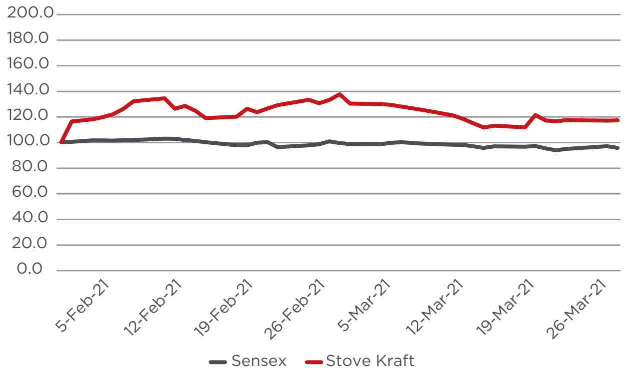
1. The Company made an application to NSE and BSE in the month of February 2021 seeking in-principle approval for 6,62,033 Equity Shares of ₹ 10/- each to be issued under Stove Kraft Employee Stock Option Plan 2018, in respect of which approval was received from NSE and BSE on march 09, 2021 and on April 5, 2021 respectively.
2. The Company allotted 41,450 ESOP Shares on February 11, 2021 and filed PAS-3 with MCA.
3. The Company made application post receipt of in-principle approval from NSE and BSE for listing of 41,450 shares.
4. On April 26, 2021, the listing approval was granted by BSE and NSE for listing of 41,450 shares.

16. MARKET PRICE DATA INFORMATION (BSE & NSE)

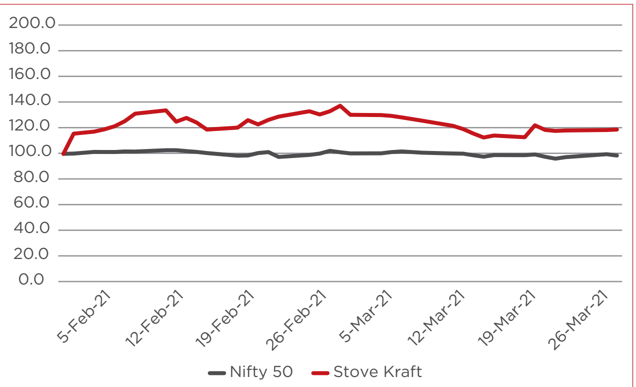
Stove Kraft's shares were listed on the exchanges with effect from February 5, 2021. The monthly high and low prices of the Bank's shares traded on the National Stock Exchange of India Ltd. (NSE), Mumbai and BSE Ltd. (BSE), Mumbai during the period February 5, 2021 to March 31, 2021 are as under:

Month	BSE		NSE	
	High	Low	High	Low
February 2021	545.00	406.95	545.45	407.00
March 2021	547.40	407.00	547.85	406.10

17. SHARE PRICE MOVEMENT



The charts have share prices and indices which are indexed to 100



The charts have share prices and indices which are indexed to 100

18. DEMATERIALISATION OF SHARES AND LIQUIDITY

The Company's shares are held with both the Depositories i.e. National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'). 3,25,48,162 of the Company's shares are held in electronic/demat form as on March 31, 2021, the number of shares held in dematerialised and physical mode are as under:

No. of shares in dematerialised form in CDSL	2,05,66,565
No. of shares in dematerialised form in NSDL	1,19,81,597
No. of shares in physical	1
Total no. of shares	**3,25,48,163**

19. CREDIT RATING

The details of Credit rating reported in Directors' report which forms part of this Annual Report.

20. OUTSTANDING GDRs/ADRs/WARRANTS

The Company has not issued GDRs/ADRs/ Warrants as on March 31, 2021.

21. DETAILS OF PUBLIC FUNDING OBTAINED IN THE LAST THREE YEARS

The Company has made the initial public offering in February 5, 2021. Details of utilisation of funds are available in the financial statements.

22. COMMODITY PRICE RISK/FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

A report on Commodity price Risk/Foreign Exchange Risk and Hedging activities is covered in Management Discussion & Analysis report which forms part of this annual report.

23. COMPLIANCE CERTIFICATE BY CEO AND CFO

The Compliance Certificate by CEO and CFO are provided on a quarterly basis. The Compliance Certificate as required under the Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

24. COMPLIANCE WITH SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

A Certificate on Corporate Governance obtained from BMP & Co. LLP., Company Secretaries, FCS: 7834, CP Number: 13784 for compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and is enclosed at the end of this Report.

25. CERTIFICATE FROM PRACTICING COMPANY SECRETARY

The Company has obtained a certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority in accordance with Listing Regulations and is enclosed at the end of this Report.

26. DISCLOSURE ON ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS

The Company has prepared financial statements in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

27. TOTAL FEES PAID TO STATUTORY AUDITORS BY THE COMPANY

The details of total fees for all services paid by the Company is enumerated below:

Sl. No	Nature of Services	Amount (₹ Mn)
1.	Statutory audit	3.50
2.	Out-of-pocket expense	0.06
3.	IPO-related certification	5.65
Total		**9.21**

28. DETAILS OF NON-COMPLIANCE BY THE COMPANY, PENALTIES, STRICTURES IMPOSED ON THE COMPANY BY THE STOCK EXCHANGE(S) OR SEBI OR ANY STATUTORY AUTHORITY, ON ANY MATTER RELATED TO CAPITAL MARKETS, DURING THE LAST THREE YEARS

Regulation in LODR	Type of Non-Compliance	Quarter Pertaining to	Name of the Exchange	Fine Amount (in ₹ in Mn)	Paid
Regulation 19	The Chairman of Nomination and Remuneration Committee is also the Chairman of the Board	March 31, 2021	NSE	0.129	Yes
			BSE	0.129	Yes

29. MANDATORY/NON-MANDATORY REQUIREMENTS

The Company has complied with all the mandatory requirements of Corporate Governance norms as enumerated under Schedule II to the Listing Regulations and the disclosure relating to adoption of Non-mandatory / Discretionary requirements are detailed as under:

DISCLOSURE RELATING TO ADOPTION OF DISCRETIONARY REQUIREMENTS

(a) The Board: The Company has Non-Executive Chairman.

(b) Shareholders' Right: The Company does not mail the Unaudited Half-yearly Financial Results individually to its Shareholders. However, these are published in Economic Times (English) and Vijaya Karnataka (Kannada) and are also posted on the website of the Company https://www.stovekraft.com/investors/

(c) Modified Opinion(s) in Audit Report: NIL

(d) Separate Posts of Chairperson and Chief Executive Officer (CEO): The Chairman of the Board is a Non-Executive Chairman and his position is separate from that of the CEO.

(e) Reporting of Internal Auditor: The Internal Auditors' report to the Audit Committee.

30. NON-COMPLIANCE OF REGULATIONS RELATING TO CORPORATE GOVERNANCE UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, IF ANY

The Company has complied with all the requirements under the Listing Regulations, except for one under Regulation 19 pertaining to Non-Executive independent director who was Chairman of the Nomination and Remuneration Committee, which was subsequently regularised to bring it in compliance with the Listing Regulations and Companies Act, 2013.

DECLARATION ON CODE OF CONDUCT

We confirm that the Company has in respect of financial year ended March 31, 2021, received from Members of the Board & Senior Management team of the Company a declaration of the compliance with the Code of Conduct as applicable to them.

Rajendra Gandhi
(Managing Director)

Rajiv Mehta Nitin
(CEO & Whole-Time Director)

Place: Bangalore, Harohalli
Date : July 29, 2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(As per item 10(i) of clause C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with regulation 34(3) of the said Listing Regulations).

To
The Members of
Stove Kraft Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Stove Kraft Limited having CIN U29301KA1999PLC025387 and having registered office at 81/1, Medamarana Halli Village, Harohalli Hobli, Kanakapura, Taluk Ramanagar Dist 562112 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority

Sl. No.	Name of the Director	DIN	Designation
1.	Rajiv Nitin Mehta	00697109	Executive Director, CEO (Chief Executive Officer)
2.	Rajendra Gandhi	01646143	Executive Director, Managing Director
3.	Neha Gandhi	07623685	Executive Director
4.	Lakshmikant Gupta	07637212	Non-Executive-Independent Director (Chairperson)
5.	Shubha Rao Mayya	08193276	Non-Executive-Independent Director
6.	Bharat Singh	08222884	Non-Executive-Nominee Director

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **BMP & Co. LLP**
Company Secretaries

Date: May 25, 2021
Place: Bangalore
UDIN: F007834C000367270

Pramod S M
Partner
FCS 7834 / CP No. 13784

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
Members of
Stove Kraft Limited

We have examined the compliance of conditions of Corporate Governance by Stove Kraft Limited ("the Company"), for the purpose of certifying of the Corporate Governance under Regulation 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from the period April 01, 2020 to March 31, 2021. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, We draw the attention of Members to the following:

The Constitution of the Nomination and Remuneration Committee was not in compliance with the Section 178 & Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as the Chairman of Committee is also the Chairman of the Board.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **BMP & Co. LLP**
Company Secretaries

Pramod S M
Partner
FCS 7834 / CP No. 13784

Date: July 29, 2021
Place: Bangalore
UDIN: F007834C000703122

Business Responsibility Report

As required under Regulation 34(2)(f) of SEBI (Listing Obligation and Disclosure) Regulations, 2015

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	**U29301KA1999PLC025387**
2.	Name of the Company	**Stove Kraft Limited**
3.	Registered Address	**81/1, Medamarana Halli Village, Harohalli Hobli, Kanakapura Taluk Ramanagar-562112**
4.	Website	**www.stovekraft.com**
5.	E-mail id	**cs@stovekraft.com**
6.	Financial Year reported	**FY 2020-21**
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	**3463 and 3469**
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	**Pressure Cookers, Non-Stick Cookware, Induction Cooktops, Mixer Grinders, LED Bulbs & Batten, Handy Choppers, PCB and Gas Stoves**
9.	Total number of locations where business activity is undertaken by the Company	**11 (9 C&FAs & 2 Factories) (Baddi & Bangalore)**
	Number of International Locations (Provide details of major 5)	**NIL**
	Number of National Locations	
	(i) Factories	**2**
	(ii) Corporate Office	**1**
	(iii) Branches	**0**
10.	Markets served by the Company - Local / State / National / International	**Serves National and International markets**

SECTION B: FINANCIAL DETAILS OF THE COMPANY

(Amount in Crs)

1.	Paid-up Capital (₹)	**32.6**
2.	Total Turnover (₹)	**859**
3.	Total profit after taxes and OCI (₹)	**83.51**
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	**Not applicable since we did not meet the criteria under Section 135**
5.	List of activities in which expenditure in 4 above has been incurred	**Not applicable**

SECTION C: OTHER DETAILS

Does the Company have any Subsidiary Company / Companies	**No**
Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	**No**
Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	**No**

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

Sl. No.	Particulars	Details
1.	DIN Number	**01646143**
2.	Name	**RAJENDRA GANDHI**
3.	Designation	**Managing Director**
4.	Telephone No.	**080-28016222**
5.	Email Id	**cs@stovekraft.com**

2. Principle-wise (as per NVGs) BR policy/policies (Reply in Y/N)

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/ international standards? If yes, specify? (50 words) **The various policies are captured in the current document of Code of Conduct & Governance Philosophy of the Company. The principles contained in various Laws and Conventions are incorporated into the policies. These policies also take into account the Standards like ISO 9001: 2015**	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy been approved by the Board? Is yes, has it been signed by MD/owner/ CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online? www.stovekraft.com	Y	Y	Y	Y	Y	Y	Y	Y	Y
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

2a. If answer to Sl. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options) - NOT APPLICABLE

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles									
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

Annual Review

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

  No

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

   Largely applies to the Company

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   The Company received 226 complaints from stakeholders and all have been resolved. As regards after sales service, the same is being handled through a wide network of service franchisees & in-house service team and online customer service.

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Super Cooker

This product is a Pressure Cooker which has certificate of registration for design from PATENT OFFICE of INDIA which is made by virgin aluminium circle and are non-stick coated or hard anodised. The design of product helps the food to be cooked much faster than normal cooker and also helps to retain foods nutrients. This also helps in the environmental impact as it consumes less energy in cooking as compared to the pressure cooker.

We have designed smart products taking into consideration the current lifestyles of open kitchens and the contribution of the male members in the cooking activities. Example Multi Kadai.

Induction Cook Top

Our Induction Cookers are >90% efficient in transfer of heat, keep warm function and a whistle counter which reduces the heating as soon as the preset number of cooker whistles blows (during cooking).

Non-Stick Cookwares in Roller Coating Unit

Our Non-Stick Cookware is produced in one of state-of-the-art Roller Coating Unit which reduced consumption and wastage of PTFE & HTR Paints on Cookware by around 50%. This products also have the same efficacy of non-stick products manufactured in conventional manufacturing process of spray coating.

Our both Units i.e. Bangalore & Baddi, are ISO 9001: 2015 certified by TUV SUD South Asia Private Limited for our implemented Quality Management System for a scope Design & Development, Manufacturing & Supply of LPG Stoves, Pressure Cookers, Non-Stick Cookwares, Electrical Kitchen and Home Appliances & Trading of Kitchen & Home Appliances.

Initiatives to reduce Environmental Impact:

We have utilised 76.7% i.e. 80.91 Lac Units equivalent of power from renewable sources like Wind & Solar through a power purchase agreement with Power Generators under Group Captive & Non Captive arrangements. This has helped the Company to reduce 4,046 Carbon Footprints.

For Cooker, Induction Cooktop, LPG Stoves, Mixer and Cookware packaging, to improve the awareness on the Concept of Re-Use of Polybags, the Polybags with the thickness of more than 51 microns used and adhered to the Govt. regulations by printing all the relevant information including Re Sale value.

- We have also signed MoU with a vendor to collect hazardous waste as per KSPBC and disposing off the same as per KSPCB advisory
- We have replaced all industrial lighting with LED Lights to reduce power consumption by 50%
- We have 16 pits in our Bengaluru factory for recharging groundwater to restore groundwater level
- Cooker Lid & Body Polishing activity made into Automated from Manual Operation and hence leading to lower suspended particulate matter in the atmosphere which is hazardous to health of the operator and the Power Consumption reduced by 40% for the Body & Lid Polishing activity due to increased productivity
- Our Roller Coating Unit is now fully automated with robots are installed at pressing and grooving section which has increased productivity, lower wastages & ZERO accidents
- Our two LED bulbs lines are fully automated, which has led to increased productivity and low rejections/wastage
- We have an arrangement with our vendor to whom we send Aluminium scrap which is re-melted and send us the Raw Material for Non Stick Cookwares

1. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):
   i. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?
   ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The following were the efforts up to the Previous Year:

- Use of bio-compostable plastic bags
- Digitisation of process critical to quality parameters
- State-of-the-art pressure cooker line with automated polishing & buffing line which increase our productivity
- Combined Effluent Treatment Plant and Sewage Treatment Plant of 50 KLD – Treated water used for gardening – ZERO discharge outside factory premises, in one more factory
- Robots are installed in RC NS pressing & grooving process, which has improved productivity & reduce process rejection
- Implemented flame guard & bracket unit in-house, to reduce dependency of vendors, standardised quality
- Implemented automated LED Bulbs Line resulting increased productivity & less rejection
- Implemented automated PCB Line for LED Bulbs which reduced dependency of Chinese Vendor
- Implemented new ICT Line which reduced import of ICT from China

Improvements during the Current Year:

- We are planning to commission Glasslid Unit, Gasket (Rubber Moulding), New Moulding Unit for all plastic moulds to reduce our dependency on vendors in India or outside India
- We are also undertaking a green initiative where we are planning to invest on captive renewable power plant to take care of 85% of Power requirement through renewable energy in FY 2021-22.
- We are undertaking modernised our Master WH with HD Racks (Shuttle racking system) in Bengaluru with digital intervention to reduce space constraint, high productivity & reduce wastage

2. Does the Company have procedures in place for sustainable sourcing (including transportation)?

   If yes, what percentage of your inputs was sourced sustainably?

   Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

   If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

3. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   The Company has a policy of product exchange under which products that have outlived their warranty period are taken back and replaced with a new product. Such returned products find their ways for recycling.

Principle 3

Please indicate the Total number of employees: **3,312 permanent**

Please indicate the Total number of employees hired on temporary/contractual/casual basis - **486**

Please indicate the Number of permanent women employees: **1,603**

Please indicate the Number of permanent employees with disabilities: **N.A.**

Do you have an employee association that is recognised by management?

N.A.

What percentage of your permanent employees have members of this recognised employee association?

N.A.

Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sl. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	NIL	Nil
2.	Sexual harassment	NIL	Nil
3.	Discriminatory employment	NIL	Nil
4.	Grievances Committee	NIL	Nil

What percentage of your under-mentioned employees were given safety & skill up-gradation training in the last year?

- Permanent Employees: **80%**
- Permanent Women Employees: **80%**
- Casual/Temporary/Contractual Employees: **80%**
- Employees with Disabilities: **N.A.**

Principle 4

Has the Company mapped its internal and external stakeholders? Yes/No: Yes

Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?

The Company is an Equal Opportunity employer, none of the categories is marginalised. As regards other stakeholders, the Company has a policy of non-discrimination

Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.

As a practice, we hire workers from local community residing around our facility & we offer free food for all our staffs and workers in our factory.

Principle 5

Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The policy covers only the Company

How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

There have been no major complaints other than normal shareholders' complaints and complaint regarding minor product handling issues.

The Company has a policy of not keeping a complaint unattended for more than 48 hours.

Principle 6

Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.

Largely covers the Company only

Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.?

Y/N. If yes, please give hyperlink for webpage etc.

Being developed

Does the Company identify and assess potential environmental risks? Y/N

Yes

Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

No

Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.

The Company constantly is endeavouring to engage in energy savings projects and wherever feasible, we will install renewable power generators under captive arrangement.

Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes

Number of show cause / legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

Principle 7

Is your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with:

a. **Harohalli Industrial Association**

Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

We do express our views on economic and other policy matters at different forums. But not lobbied for any matter.

Principle 8

Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.

The Company has a well-defined CSR Policy and spends on various projects/activities as listed in the CSR report forming part of the Corporate Governance Report.

Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organisation?

The projects which we fund are either undertaken by NGOs, Reputed Educational/Research Institutions, and Public Charitable Trusts having track record.

Have you done any impact assessment of your initiative? Yes. What is your Company's direct contribution to community development projects - Amount in ₹ and the details of the projects undertaken?

All the CSR projects undertaken by the Company directly

Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The Company's operations have not displaced any community. However, the Company is supporting cause like provision of sanitary facilities in schools in rural areas and institutions that provide vocational training in rural areas.

Principle 9

What percentage of customer complaints / consumer cases are pending as on the end of financial year.

Insignificant

Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks

Yes - Additional information for consumer

Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

Nil

Did your Company carry out any consumer survey/ consumer satisfaction trends?

Nil

Independent Auditor's Report

To The Members of Stove Kraft Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of Stove Kraft Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Board's report including annexure to Board's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with the IndAS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, in respect of one of the directors, disqualification was attracted under section 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 the note no. 41 and all other directors are not disqualified as on March 31, 2021 from being appointed as a director in terms 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 the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

    h) 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.

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)

Jaideep S. Trasi
(Partner)
(Membership No. 211095)
UDIN: **21211095AAAABM5580**

Place: Bengaluru
Date: May 25, 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(h) 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 Limited ("the Company") as of March 31, 2021 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 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 the 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 on Audit of Internal Financial Controls Over Financial Reporting (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, 2021, based on the criteria for internal financial control over financial reporting 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 issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

Jaideep S. Trasi
(Partner)
(Membership No. 211095)
UDIN: **21211095AAAABM5580**

Place: Bengaluru
Date: May 25, 2021

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) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(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 buildings and freehold land, 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 no material discrepancies were noticed on physical verification.

(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 Section 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 and therefore, the provision of the Clause 3(v) of the Order are not applicable to the Company.

(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, Goods and Services Tax, Customs Duty, 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, Goods and Services Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Goods and Services tax, Sales Tax, Customs Duty, Service Tax and Excise Duty which have not been deposited as on March 31, 2021 on account of disputes are given below:

Name of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount unpaid (₹ in Mn)
Central Excise Act, 1944	Service tax input credit	CESTAT, Bengaluru	2010-11	4.10
			2011-12	7.61
			2012-13	5.11
			2011-15	7.03
		Commissioner of Central Excise, Bengaluru – III commissionerate	2006-10	11.96
Kerala VAT Act, 2003	VAT	Deputy Commissioner (Appeals) SG & ST Department, Ernakulam	2011-12	3.02
Custom Act, 1962	Custom Duty	CESTAT, Bengaluru	2010-13	6.50
Gujarat VAT Act, 2003	VAT	Deputy Commissioner of commercial taxes	2013-14	1.57

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks, financial institutions and dues to debenture holders. The Company has not taken any loans or borrowings from government.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of initial public offer and the term loans have been applied by the Company during the year for the purposes for which they were 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.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013, as amended.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(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 Section 188 of the Act 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 directors of its subsidiaries or persons connected with them and hence provisions of section 192 of the Act 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)

Jaideep S. Trasi
(Partner)
(Membership No. 211095)
UDIN: **21211095AAAABM5580**

Place: Bengaluru
Date: May 25, 2021

Standalone Balance Sheet

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

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Non-current assets			
Property, Plant And Equipment	3(a)	2,176.91	1,933.92
Capital Work-In-Progress		190.97	42.27
Intangible Assets	3(b)	31.66	2.95
Intangible assets under development		-	33.40
Financial Assets			
Investments	4	-	9.29
Other Financial Assets	5	53.12	50.10
Income Tax Asset (Net)	6	3.57	2.11
Other Non-current Assets	7	97.84	40.65
Total Non-current Assets		**2,554.07**	**2,114.69**
Current Assets			
Inventories	8	1,560.09	1,165.94
Financial Assets			
Trade Receivables	9	847.24	1,030.34
Cash And Cash Equivalents	10(a)	294.53	143.92
Bank Balances Other Than Cash And Cash Equivalents, As Above	10(b)	78.94	43.78
Loans	11	5.20	3.52
Other Financial Assets	12	29.46	13.20
Other Current Assets	13	340.19	204.76
Total Current Assets		**3,155.65**	**2,605.46**
Total Assets		**5,709.72**	**4,720.15**
Equity And Liabilities			
Equity			
Equity Share Capital	14(a)	325.90	247.17
Other Equity	14(b)	2,700.92	(833.92)
Total Equity		**3,026.82**	**(586.75)**
Liabilities			
Non-current Liabilities			
Financial Liabilities			
Borrowings	15	206.63	2,048.25
Other Financial Liabilities	16	171.24	108.27
Provisions	17	71.76	62.74
Total Non-current Liabilities		**449.63**	**2,219.26**
Current Liabilities			
Financial Liabilities			
Borrowings	18	297.97	1,220.55
Lease Liabilities	34	-	2.49
Trade Payables	19		
(i) total outstanding dues of micro enterprises and small enterprises		59.46	46.61
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,706.75	1,465.84
Other Financial Liabilities	20	89.67	286.96
Provisions	21	21.55	16.84
Other Current Liabilities	22	57.87	48.35
Total Current Liabilities		**2,233.27**	**3,087.64**
Total Liabilities		**2,682.90**	**5,306.90**
Total Equity And Liabilities		**5,709.72**	**4,720.15**

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Jaideep S. Trasi
Partner

Place : Bengaluru
Date : May 25, 2021

For and on behalf of the Board of Directors

Rajendra Gandhi
Managing Director
DIN: 01646143

Rajiv Nitin Mehta
Chief Executive Officer and
Whole Time Director
DIN: 00697109

Shashidhar SK
Chief Financial Officer & Company Secretary
Membership Number: FCS 7119

Place : Bengaluru
Date : May 25, 2021

Standalone Statement of Profit and Loss

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

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Income			
Revenue from operations	23	8,589.57	6,698.61
Other income	24	14.53	21.27
Total income		**8,604.10**	**6,719.88**
Expenses			
Cost of materials consumed	25	4,424.23	3,232.38
Purchase of stock in trade	26	1,251.90	1,287.63
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(93.72)	(101.33)
Employee benefits expenses	28	806.17	820.11
Finance cost	29	188.29	209.01
Depreciation and amortization expenses	30	142.35	121.44
Other expenses	31	1,073.04	1,122.23
Total expenses		**7,792.26**	**6,691.47**
Profit before tax		**811.84**	**28.41**
Tax expense:	43		
Current tax		-	-
Deferred tax		-	-
Net tax expense		-	
Profit for the year		**811.84**	**28.41**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit Plans - Gains / (losses) (net)		23.29	(2.56)
Income tax impact		-	-
Items that will not be reclassified to profit or loss (net of tax)		**23.29**	**(2.56)**
Items that will be reclassified to profit or loss			
Fair value changes on cash flow hedges		-	-
Income tax impact		-	-
Items that will be reclassified to profit or loss (net of tax)		**-**	
Total other comprehensive income for the year		**23.29**	**(2.56)**
Total comprehensive income for the year		**835.13**	**25.85**
Earnings per share			
Basic (in ₹) (Face value of ₹ 10 each)	36	26.61	0.94
Diluted (in ₹) (Face value of ₹ 10 each)	36	26.25	0.94

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Jaideep S. Trasi
Partner

Place : Bengaluru
Date : May 25, 2021

For and on behalf of the Board of Directors

Rajendra Gandhi
Managing Director
DIN: 01646143

Rajiv Nitin Mehta
Chief Executive Officer and Whole Time Director
DIN: 00697109

Shashidhar SK
Chief Financial Officer & Company Secretary
Membership Number: FCS 7119

Place : Bengaluru
Date : May 25, 2021

Standalone Statement of Cashflows

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

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Cashflow from operating activities			
Profit before tax		**811.84**	**28.41**
Adjustments for :			
Depreciation and amortisation expense	30	142.35	121.44
Provision for doubtful trade and other receivables, loans and advances and bad debts written off (net)	31	40.39	40.30
Liability no longer required written back	24	(1.84)	(3.13)
Interest on deposit with bank	24	(4.77)	(2.81)
Profit on fair valuation of derivative instruments	24	(0.66)	(2.11)
Profit on sale of property, plant and equipments	24	(0.51)	(0.25)
Share of Profit from investment in partnership firm	24	(2.82)	(9.82)
Impairment loss on investment in partnership firm	31	2.69	-
Finance cost	29	181.03	181.30
Unrealised exchange difference on lease liabilities		-	(0.50)
Unrealised exchange difference on foreign currency transactions and translation (net)		(0.93)	10.81
Employees share option cost recorded on grants	28	12.63	8.61
Operating cash profit before changes in working capital		**1,179.40**	**372.25**
Changes in working capital			
Adjustment for (increase) / decrease in operating assets :			
Other financial assets		(13.08)	7.90
Inventories		(394.15)	(191.80)
Trade receivables		143.34	(172.42)
Other assets		(139.50)	(85.89)
Adjustment for increase / (decrease) in operating liabilities:			
Other financial liabilities		19.95	(7.24)
Trade payables		255.90	164.23
Other current liabilities		9.52	(5.49)
Provisions		37.02	15.88
Cash generated from operations		**1,098.40**	**97.42**
Net income taxes (paid) / refund received		(1.46)	(0.46)
Net cash generated from operating activities (A)		**1,096.94**	**96.96**
Cashflow from investing activities			
Capital expenditure on property, plant and equipments (including capital advance)		(633.64)	(260.73)
Proceeds from sale of property, plant and equipments		2.91	0.29
Interest received on bank deposits		1.59	2.41
Drawings from partnership firm / (investment) in partnership firm (net)		9.42	88.27
Movement of margin money deposit with banks (net)	10(b)	(35.16)	(14.54)
Net cash used in investing activities (B)		**(654.88)**	**(184.30)**

Standalone Statement of Cashflows

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

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flows from financing activities			
Proceeds from long-term borrowings	15	247.10	183.98
Repayment of long-term borrowings	15	(332.33)	(236.86)
Proceeds from issues of shares (net of share issue expenses)	14	918.34	-
Proceeds / (repayment) from short-term borrowings (net)	15	(922.62)	215.86
Payment of lease liabilities		(2.49)	(6.95)
Finance costs (including interest towards lease liabilities)		(199.45)	(174.42)
Net cash used in financing activities (C)		**(291.45)**	**(18.39)**
Net Increase / (decrease) in cash & cash equivalents (A+B+C)		**150.61**	**(105.73)**
Cash and cash equivalents at beginning of the year	10(a)	143.92	249.65
Cash and cash equivalents at the end of the year*	**10(a)**	**294.53**	**143.92**
Reconciliation of cash and cash equivalents			
*Comprises:			
(a) Cash on hand	10(a)	0.59	0.53
(b) Balances with banks:			
in current accounts	10(a)	293.94	143.39
Total		**294.53**	**143.92**

See accompanying notes forming part of the Standalone Financial Statements

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

Jaideep S. Trasi
Partner

Place : Bengaluru
Date : May 25, 2021

For and on behalf of the Board of Directors

Rajendra Gandhi
Managing Director
DIN: 01646143

Rajiv Nitin Mehta
Chief Executive Officer and
Whole Time Director
DIN: 00697109

Shashidhar SK
Chief Financial Officer & Company Secretary
Membership Number: FCS 7119

Place : Bengaluru
Date : May 25, 2021

Standalone Statement of Changes in Equity

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

Particulars	As at March 31, 2021	As at March 31, 2020
Equity share capital		
Opening balance	247.17	247.17
Changes in equity share capital during the year		
Add: Exercise of vested stock options	1.27	-
Add: Fresh issue of equity shares pursuant to public issue	24.68	-
Add: Conversion of CCDs into equity shares	52.78	-
Closing balance	**325.90**	**247.17**

Other equity

Particulars	Reserves and Surplus			Total other equity
	Retained earnings	Securities Premium	Share options outstanding account	
Balance as at April 01, 2019	**(1,949.29)**	**1,094.37**	**-**	**(854.92)**
Impact on adoption of Ind AS 116 (Refer Note 34)	(13.46)	-	-	(13.46)
Profit for the year	28.41	-	-	28.41
Remeasurement of defined benefit obligation [Gain/(Loss)] #	(2.56)	-	-	(2.56)
Stock compensation cost for the period	-	-	8.61	8.61
Opening Balance as at April 01, 2020	**(1,936.90)**	**1,094.37**	**8.61**	**(833.92)**
Profit for the year	811.84	-	-	811.84
Securities Premium	-	2,737.82	-	2,737.82
Share issue expenses	-	(50.74)	-	(50.74)
Remeasurement of defined benefit obligation [Gain/(Loss)]#	23.29	-	-	23.29
Allotment of shares on exercise of vested stock options	-	4.10	(4.10)	-
Stock compensation cost for the period	-		12.63	12.63
Closing Balance as at March 31, 2021	**(1,101.77)**	**3,785.55**	**17.14**	**2,700.92**

In accordance with Notification G.S.R 404(E) , dated 06 April 2016, remeasurement of defined benefit plans is recognised as a part of retained earnings.

See accompanying notes forming part of the Standalone Financial Statements

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

Jaideep S. Trasi
Partner

Place : Bengaluru
Date : May 25, 2021

For and on behalf of the Board of Directors

Rajendra Gandhi
Managing Director
DIN: 01646143

Rajiv Nitin Mehta
Chief Executive Officer and Whole Time Director
DIN: 00697109

Shashidhar SK
Chief Financial Officer & Company Secretary
Membership Number: FCS 7119

Place : Bengaluru
Date : May 25, 2021

Notes to Standalone Financial Statements

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

1 CORPORATE INFORMATION

Stove Kraft Limited (the 'Company' / 'SKL') is a company domiciled in India, with its registered office situated at Bengaluru. It is engaged primarily in the business of manufacture of pressure cookers, LPG stoves, non-stick cookware and trading of other kitchen and electrical appliances under the brand names "Pigeon" and "Gilma". The Company also possesses a licensing agreement with Stanley Black & Decker on certain categories of appliances

Pursuant to an initial public offer, the Company's equity shares are listed and traded on Mumbai Stock Exchange and National Stock Exchange, with effect from February 05, 2021

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and Companies (Indian Accounting Standards) (Amendment) Rules, 2017 and other relevant provisions of the Act as applicable

2.2 Basis of preparation and presentation & Summary of significant accounting policies

The Standalone Financial Statements have been prepared on the historical cost basis except for:- certain financial assets and liabilities (including derivative instruments), plan assets of the defined benefit plan that are measured at fair values at the end of each reporting year.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(a) Revenue Recognition

i. Sale of goods

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations.

The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates, loyalty benefits and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only

Notes to Standalone Financial Statements

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

recognised to the extent that it is highly probable a significant reversal will not occur.

ii. **Export entitlement**

Government incentives are accrued for based on fulfilment of eligibility criteria for availing the incentives and when there is no uncertainty in receiving the same.

iii. **Interest Income**

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(b) Property, Plant and Equipment

Property, Plant and Equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of Property, Plant and Equipment comprises its purchase price, net of any trade discounts and rebates, any import duties, 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.

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

Depreciation on Property, Plant and Equipment 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 ₹ 5,000/- are depreciated in full in the year of purchase.

Asset	Useful life in years
Leasehold Improvements	3-5 years or over the lease period whichever is lower
Office Equipments	5 Years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting year, with the effect of any changes in estimate accounted for on a prospective basis.

(c) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis.

The useful lives of intangible assets that is considered for amortization of intangible assets are as follows:

Intangible Assets	Useful Life in Years
Technical Know How	5 years
Computer Software	6 years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the

Notes to Standalone Financial Statements

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

asset, are recognised in statement of profit and loss when the asset is derecognised.

(d) Investments in partnership firm

Investment in partnership firm is measured at cost less impairment (Refer note 4)

(e) Inventories

Inventories are valued at the lower of weighted average cost and the net realizable value. Cost includes purchase cost and all other charges in bringing the inventories to their present location and condition including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads.

Net realisable value is the estimated selling price in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale.

(f) Financial Instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

A. Financial Assets:

i. Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or where appropriate a shorter year, to the net carrying amount on initial recognition.

ii. Financial Assets at fair value through other comprehensive Income

Financial assets are measured at fair value through other comprehensive income ('FVTOCI') if these financial assets are held within business model whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

iii. Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss ('FVTPL') unless it is measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognised in the statement of profit and loss.

Notes to Standalone Financial Statements

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

iv. **Impairment of financial assets**

In accordance with Ind AS 109 - Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting year, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent year, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 months ECL.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

i. All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument;

ii. Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the year is recognised as income/expense in the statement of profit and loss.
This amount is reflected under the head other expenses in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

<u>Financial assets measured at amortised cost, contractual revenue receivables:</u>

ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce

Notes to Standalone Financial Statements

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

impairment allowance from the gross carrying amount.

v. Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in statement of profit and loss if such gain or loss would have otherwise been recognised in statement of profit and loss on disposal of that financial asset.

vi. Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting year.

For foreign currency denominated financial assets that are measured at amortised cost and FVTPL, the exchange difference are recognised in statement of profit and loss.

B. Financial liabilities and equity instruments

i. Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

ii. Equity Instrument

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

iii. Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

iv. Financial liabilities at FVTPL

Financial liability has been designated at FVTPL where it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the Statement of profit and loss.

v. Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting year. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

Notes to Standalone Financial Statements

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter year, to the net carrying amount on initial recognition.

vi. Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting year, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in Statement of Profit and Loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting year. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the Statement of profit and loss.

vii. Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.
The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in statement of profit and loss.

C. Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and cross currency interest rate swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting year. The resulting gain or loss is recognised in the Statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of profit and loss depends on the nature of the hedging relationship and the nature of the hedged item. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

D. Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

E. Hedge Accounting

The Company designates certain hedging instruments as either fair value hedges or cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in

Notes to Standalone Financial Statements

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

fair values or cash flows of the hedged item attributable to the hedged risk.

i. Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in Statement of profit and loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in the statement of profit and loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting.

ii. Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in statement of profit and loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to statement of profit and loss in the year when the hedged item affects profit or loss, in the same line as the recognised hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity will be recognised in statement of profit and loss on such event.

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and at banks and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(h) Foreign Currency transactions and translations

The functional currency of the Company is Indian Rupee (₹).

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss in the year in which they arise.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date when the fair value was determined.

(i) Employee Benefits

Defined Contribution Plan

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined Benefit Plan

For defined benefit plans in the form of gratuity (un-funded), the cost of providing benefits is determined using the projected

Notes to Standalone Financial Statements

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

unit credit method, with actuarial valuations being carried out at the end of each reporting year. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the year in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the year of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the year to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in the statement of profit and loss in the line item Employee benefit expenses. Curtailment gains and losses are accounted for as past service costs. The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

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 year in which the employee renders the related service.

Long-term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by the employees up to the reporting date.

(j) Borrowing Costs

Borrowing costs include:

(i) interest expense calculated using the effective interest rate method,

(ii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in Statement of profit and loss in the year in which they are incurred.

(k) Leases

The Company as a Lessee:

The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

Notes to Standalone Financial Statements

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

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using interest rate implicit in the lease or, if that rate cannot be readily determined, Company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets:

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term."

Comparative year :

In the comparative year, leases under which the Company assumes substantially all the risks and rewards of ownership were classified as finance leases. All other leases were classified as operating leases. Lease payments under operating leases are recognised as an expense on a straight line basis in the statement of profit and loss over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

(l) Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the reporting year. Taxable profit differs from 'profit before tax' as reported in the condensed standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be

Notes to Standalone Financial Statements

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

available against which those deductible temporary differences and the carry forward of unused tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting year, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(m) Provisions and Contingent Liabilities

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 of the amount of obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent liabilities are not recognised but are disclosed in the Notes to the Financial Statements. Contingent assets are not recognised in the financial statements.

(n) Impairment of non-financial assets

At the end of each reporting year, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their

Notes to Standalone Financial Statements

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

present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of profit and loss.

(o) Earnings per share

Basic earnings per share is computed by dividing statement of profit and loss attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the reporting year.

Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented.

(p) Share issue expense

The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction.

(q) Share-based compensation

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 35.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting year, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

2.3 Use of estimates and management judgments

In application of the accounting policies, which are described in note 2.4, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.
The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years. In particular, information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

1. Useful life of property, plant and equipment and intangible assets

The useful life of the assets are determined based on technical advice, taking into

Notes to Standalone Financial Statements

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

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.

2. Impairment

An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount.
To determine the recoverable amount, management estimates expected discounted future cash flows from each asset or cash-generating unit.

3. Impairment of financial assets

The impairment assessment for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of the reporting year.

4. Deferred tax

Deferred income tax liabilities are recognised for all taxable temporary differences. Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

5. Fair value

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

6. Post-retirement benefit plans

The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions which include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at each reporting year on the government bonds.

7. Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting year.

8. Estimation of uncertainty relating to the global health pandemic from Covid-19

In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, Inventories, Receivables and other assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources on the expected future performance of the Company. The Company has performed

Notes to Standalone Financial Statements

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

sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial information.

2.4 Ind AS 116 Leases :

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations.
The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit & loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual years beginning on or after April 01, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior year presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application either by:

  Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or

- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application

  Certain practical expedients are available under both the methods.

  The Company is currently assessing the impact on adoption of this standard on the Company's financial statements.

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition -

i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting year presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and

ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

Notes to Standalone Financial Statements

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

The effective date for adoption of Ind AS 12 Appendix C is annual years beginning on or after April 01, 2019. The Company is currently assessing the impact on adoption of this standard on the Company's financial statements.

Amendment to Ind AS 12 – Income taxes :

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting years beginning on or after April 01, 2019.

The Company is currently evaluating the effect of the above on its financial statements."

Amendment to Ind AS 19 – plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the year after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual year beginning on or after 1 April 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

Notes to Standalone Financial Statements

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

3(A) PROPERTY, PLANT AND EQUIPMENT

Particulars	Land	Buildings	Plant and machinery	Furniture and fixtures	Lease hold improvements*	Computers	Office Equipments	Vehicles	Total
Gross block									
Opening Gross block as at April 01, 2019	844.96	406.60	654.24	19.00	9.48	9.95	12.66	24.28	1,981.17
Additions	-	31.50	212.03	0.58	-	1.62	2.19	5.34	253.26
Disposals	-	-	(0.76)	-	-	(0.86)	(0.08)	-	(1.70)
Gross block as at March 31, 2020	**844.96**	**438.10**	**865.51**	**19.58**	**9.48**	**10.71**	**14.77**	**29.62**	**2,232.73**
Opening Gross block as at April 01, 2020	844.96	438.10	865.51	19.58	9.48	10.71	14.77	29.62	2,232.73
Additions	-	11.75	335.79	3.56	-	13.75	0.73	8.70	374.28
Acquisitions through transfer of assets from Stove Kraft India (Refer note 4 (iii))	-	-	6.67	-	-	-	-	-	6.67
Disposals	-	-	(4.73)	-	-	-	-	-	(4.73)
Gross block as at March 31, 2021	**844.96**	**449.85**	**1,203.24**	**23.14**	**9.48**	**24.46**	**15.50**	**38.32**	**2,608.95**
Accumulated depreciation									
Opening accumulated depreciation as at April 01, 2019	-	29.88	131.82	5.09	4.82	7.64	6.55	5.84	191.64
Depreciation expense	-	16.51	80.43	2.26	1.63	1.54	2.94	3.52	108.83
Eliminated on disposal of assets	-	-	(0.80)	-	-	(0.86)	-	-	(1.66)
Accumulated depreciation as at March 31, 2020	**-**	**46.39**	**211.45**	**7.35**	**6.45**	**8.32**	**9.49**	**9.36**	**298.81**
Net carrying amount as at March 31, 2020	**844.96**	**391.71**	**654.06**	**12.23**	**3.03**	**2.39**	**5.28**	**20.26**	**1,933.92**
Accumulated depreciation									
Opening accumulated depreciation as at April 01, 2020	-	46.39	211.45	7.35	6.45	8.32	9.49	9.36	298.81
Depreciation expense	-	17.10	102.74	4.02	1.45	3.29	2.91	4.05	135.56
Eliminated on disposal of assets	-	-	(2.33)	-	-	-	-	-	(2.33)
Accumulated depreciation as at March 31, 2021	**-**	**63.49**	**311.86**	**11.37**	**7.90**	**11.61**	**12.40**	**13.41**	**432.04**
Net carrying amount as at March 31, 2021	**844.96**	**386.36**	**891.38**	**11.77**	**1.58**	**12.85**	**3.10**	**24.91**	**2,176.91**

* Leasehold improvements made in the premises which is taken on lease by the franchisee

Refer note 15 (i), (ii) (iii) and (iv) and note 18(i) for details of mortgage & hypothecation.

Notes to Standalone Financial Statements

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

3(B) INTANGIBLE ASSETS

Particulars	Computer Software
Gross block	
Opening Gross block as at April 01, 2019	**10.00**
Additions	0.91
Disposals	-
Gross block as at March 31, 2020	**10.91**
Opening Gross block as at April 01, 2020	10.91
Additions	35.50
Disposals	-
Gross block as at March 31, 2021	**46.41**
Accumulated amortisation	
Opening accumulated amortization as at April 01, 2019	**5.29**
Amortization expense	2.67
Accumulated amortization as at March 31, 2020	**7.96**
Net carrying amount as at March 31, 2020	**2.95**
Accumulated amortisation	
Opening accumulated amortization as at April 01, 2020	**7.96**
Amortization expense	6.79
Accumulated amortization as at March 31, 2021	**14.75**
Net carrying amount as at March 31, 2021	**31.66**

3(C) RIGHT-OF-USE ASSETS

Particulars	Technical know how
Balance as at April 01, 2019	-
Additions	35.69
Deletions	(25.75)
Amortisation (Refer Note 30)	9.94
Balance as at March 31, 2020	**-**
Additions	-
Deletions	-
Amortisation (Refer Note 30)	-
Balance as at March 31, 2021	**-**

Notes to Standalone Financial Statements

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

4 INVESTMENTS

Particulars	As at March 31, 2021	As at March 31, 2020
In equity instruments of associate (Carried at cost)		
7,500 Equity shares of ₹ 10/- each fully paid up in Pigeon Appliances Private Limited (Refer Note (i) below), net of impairment	-	-
Total	**-**	**-**
In partnership firm (Carried at cost) (refer note (ii) & (iii) below)		
Capital account	155.15	155.15
Current account	(139.86)	(142.68)
Less: adjustment of net assets on dissolution of firm	(9.42)	-
Less : Impairment loss on investment in partnership firm	(5.87)	(3.18)
Total	**-**	**9.29**
Aggregate amount of un-quoted investments	**-**	**9.29**
Aggregate amount of impairment in value of investments	**-**	**3.18**

Note

(i) The Company had invested a sum of ₹ 0.08 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 FY 2014-15, 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 the Company. The Company had initiated legal action against PAPL for irregularities noted in the business operations and unauthorized use of trademarks. Based on management's best judgment, these investments in the equity share capital of PAPL had been impaired fully.

(ii) Name of the partnership firm where the Company has invested:

Stove Kraft India, Baddi, Himachal Pradesh

Name of the partners	Partner's Capital Account	
	As at March 31, 2021	As at March 31, 2020
Stove Kraft Limited	-	155.15
Rajendra Gandhi	-	-
Total	**-**	**155.15**

Name of the partners	Partner's Capital Account	
	As at March 31, 2021	As at March 31, 2020
Stove Kraft Limited	-	99%
Rajendra Gandhi	-	1%
Total	**-**	**100%**

Notes to Standalone Financial Statements

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

(iii) Stove Kraft India has been dissolved and registered the dissolution deed on September 22, 2020. As per the dissolution deed any loss or the assets of the partnership are insufficient to meet the liabilities and debts of the partnership then the first party, Stove Kraft Limited (SKL) shall forthwith pay such losses in full proportion and remaining net assets shall be transferred to SKL. The details of net assets transferred to SKL during the current year is as follows:

Particulars	As at September 22, 2020
Liabilities:	
- Trade payables	0.34
- Other current liabilities	5.00
Total Liabilities (A)	**5.34**
Assets:	
- Property, plant and equipment	6.67
- Other financial assets	0.23
- Cash and cash equivalents	6.52
- Bank balances other than cash and cash equivalent as above	0.46
- Other current assets	0.88
Total Assets (B)	**14.76**
Net assets transferred from Stove Kraft India(C) = [(B) - (A)]	**9.42**
Consideration adjusted against amount of investment made by the Company	**9.42**

5 OTHER FINANCIAL ASSET (NON-CURRENT)

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured considered good unless otherwise stated)		
Security deposits		
Considered good	53.12	50.10
Considered doubtful	1.18	1.18
Less: Allowance for doubtful security deposits (Refer note 32.5)	(1.18)	(1.18)
Total	**53.12**	**50.10**

6 INCOME TAX ASSET (NET)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance income tax [net of provision of ₹ Nil]	3.57	2.11
Total	**3.57**	**2.11**

Notes to Standalone Financial Statements

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

7 OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured considered good unless otherwise stated)		
Capital advances		
Considered good	80.19	22.41
Considered doubtful	0.91	0.91
Less: Allowance for doubtful advance	(0.91)	(0.91)
	80.19	**22.41**
Provident fund paid under protest	2.82	2.82
	2.82	**2.82**
Tax paid under protest	7.85	8.33
Considered doubtful	3.54	3.54
Less: Allowance for doubtful balances	(3.54)	(3.54)
	7.85	**8.33**
Balance with government authorities		
Considered good	3.42	2.96
Considered doubtful	11.81	11.81
Less: Allowance for doubtful balances	(11.81)	(11.81)
	3.42	**2.96**
Prepaid expense	3.56	4.13
Total	**97.84**	**40.65**

8 INVENTORIES*

Particulars	As at March 31, 2021	As at March 31, 2020
Raw materials, components and packing materials	639.82	387.84
Raw material-in-transit	107.02	58.57
Work-in-progress	119.72	61.61
Finished goods (manufactured)	436.04	383.89
Stock-in-trade (acquired for trading)	216.63	219.12
Goods-in-transit (acquired for trading)	40.86	54.91
Total	**1,560.09**	**1,165.94**

*Refer note 18(i) for details of hypothecation.

9 TRADE RECEIVABLES

Particulars	As at March 31, 2021	As at March 31, 2020
Receivables considered good - secured	-	-
Receivables considered good - unsecured	786.87	1,128.72
Receivables which have significant increase in credit risk	186.13	-
Receivables - credit impaired	-	-
	973.00	**1,128.72**
Less: Allowance for doubtful receivables	(125.76)	(98.38)
Total	**847.24**	**1,030.34**

The average credit period on sale of goods ranges from 60 to 120 days.

Refer note 18(i) & (ii) for details of hypothecation.

Refer note 32.5 for credit risk

Notes to Standalone Financial Statements

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

10(A) CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	0.59	0.53
Balances with banks:		
In current accounts	293.94	143.39
Total	**294.53**	**143.92**

10(B) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT AS ABOVE

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks:		
In earmarked accounts: balance held as margin money (Refer note (i) below)	78.94	43.78
Total	**78.94**	**43.78**

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 balance sheet date.

11 LOANS

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured considered good)		
Advance to employees	5.20	3.52
Total	**5.20**	**3.52**

12 OTHER FINANCIAL ASSETS (CURRENT)*

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured considered good)		
Insurance Claim Receivable	-	4.00
Government Incentive Receivable	21.99	8.64
Interest accrued on deposit with banks	3.74	0.56
Advance paid towards purchase of investment (Refer note below)	3.73	-
Total	**29.46**	**13.20**

*Refer note18(i) for details of hypothecation.

Note:

Pursuant to board meeting dated July 27, 2020 and investment term sheet dated August 13, 2020 entered into between the Company and Megasun Solar Tech Private Limited, the Company has paid an amount of ₹ 3.73 Mn as advance towards an equity interest in Megasun Solar Tech Private Limited, pending conclusion of the relevant due diligence activities. Pending the conclusion of the same, the advance is treated as current and would be refundable in the event the deal does not go through.

Notes to Standalone Financial Statements

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

13 OTHER CURRENT ASSETS*

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid expense (Refer note (i) below)	9.30	69.77
Advances to suppliers / service providers		
Considered good	167.91	55.12
Considered doubtful	2.01	8.79
Less: Allowance for doubtful advances	(2.01)	(8.79)
	167.91	**55.12**
Balance with government authorities	162.98	79.87
Total	**340.19**	**204.76**

*Refer note18(i) for details of hypothecation.

Note:

(i): The Company completed its initial public offering and listed its shares on Bombay Stock Exchange and National Stock Exchange on February 05, 2021. The Company incurred share issues expenses of ₹ 218.35 Mn (₹ 58.87 Mn as at March 31, 2020) in connection with the public offer of equity shares. Of this, ₹ 50.74 Mn, representing Company's share of IPO expenses stands adjusted against securities premium to the extent permissible under section 52 of the Companies Act, 2013

14(A) EQUITY SHARE CAPITAL

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
4,00,00,005 Equity shares of ₹ 10/- each (As at March 31, 2020: 3,99,99,995 Equity shares of ₹ 10/- each) (refer note below)	400.00	400.00
10 Class A Equity shares of ₹ 10/- each (As at March 31, 2020: 10 Class A Equity shares of ₹ 10/- each) were re-classified as 10 ordinary equity shares pursuant to a resolution of our Board of Directors dated January 8, 2021 and a special resolution passed by our Shareholders in their extraordinary general meeting dated January 9, 2021	-	-*
Total	**400.00**	**400.00**
Issued, subscribed and fully paid up capital		
3,25,89,613 Equity shares of ₹ 10/- each (As at March 31, 2020 : 2,47,16,727 Equity shares of ₹ 10/- each)	325.90	247.17
NIL Class A Equity shares of ₹ 10/- each (As at March 31, 2020 : 10 Class A Equity shares of ₹ 10/- each)	-	-*
Total	**325.90**	**247.17**

* Not reported due to round off

Note:

Clause V of the MoA was amended to reflect the change in the authorized share capital of the Company from ₹ 40,00,00,050 divided into 3,99,99,995 Equity Shares of ₹ 10 each and 10 Class A Equity Shares of ₹ 10 each to ₹ 40,00,00,050 divided into 4,00,00,005 Equity Shares of ₹ 10 each

Notes to Standalone Financial Statements

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

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

Particulars	Equity shares of ₹ 10/- each		Class A Equity shares of ₹ 10/- each	
	Number of Shares	₹	Number of Shares	₹
Opening balance as at April 01, 2019	**2,47,16,727**	**247.17**	**10**	**-***
Add: Movement during the year	-	-	-	-
Closing balance as at March 31, 2020	**2,47,16,727**	**247.17**	**10**	**-***
Opening balance as at April 01, 2020	**2,47,16,727**	**247.17**	**10**	**-***
Movement during the year				
Add: Conversion of CCDs into equity shares (Refer to below note (iii))	52,78,147	52.78	-	-
Add: Reclassification of Class A Equity Shares	10	-*	(10)	-*
Add: Exercise of vested stock options	1,27,197	1.27	-	-
Add: Fresh issue of equity shares pursuant to public issue	24,67,532	24.68	-	-
Closing balance as at March 31, 2021	**3,25,89,613**	**325.90**	**-**	**-**

* Not reported due to round off

(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:

(1) 5 Class A Equity Shares, were allotted to SCI. Subsequently, these Class A Equity Shares have been reclassified to 5 ordinary Equity Shares pursuant to a resolution of our Board of Directors dated January 8, 2021 and a special resolution passed by our Shareholders in their extraordinary general meeting dated January 9, 2021

(2) 5 Class A Equity Shares, were allotted to SCI-GIH. Subsequently, these Class A Equity Shares have been reclassified to 5 ordinary Equity Shares pursuant to a resolution of our Board of Directors dated January 8, 2021 and a special resolution passed by our Shareholders in their extraordinary general meeting dated January 9, 2021

(iii) Conversion of CCDs:

Based on the conversion notices each dated January 8, 2021 provided each by SCI and SCI-GIH, in accordance with the terms of the CCDs, and after taking into account the adjustments as provided for in the Series A Investment Agreement and Series B Investment Agreement, each, as amended: (i) 26,10,898 Series A CCDs and 22,80,886 Series B CCDs held by SCI have been converted into 24,12,235 and 18,79,122 Equity Shares, respectively; and (ii) 11,97,770 Series B CCDs held by SCI-GIH have been converted to 9,86,790 Equity Shares. The Equity Shares resulting from the conversions have been allotted to SCI and SCI-GIH, as applicable, pursuant to a resolution of our Board of Directors dated January 8, 2021.

(iv) Exercise of Vested Stock Options:

1,27,197 Equity Shares allotted to 38 employees of our Company on exercise of the vested stock options held by them

Notes to Standalone Financial Statements

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

(v) Fresh Issue of Equity Shares:

The Company made an Initial Public Offer (IPO) of 1,07,17,532 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ 385 per Equity Share (including share premium of ₹ 375 per equity share) aggregating to ₹ 4,126.25 Mn comprising of fresh issue of 24,67,532 equity shares aggregating to ₹ 950.00 and an Offer for Sale (OFS) of 82,50,000 Equity Shares comprising of 6,90,700 Equity Shares Mr. Rajendra Gandhi, Promoter, 59,300 Equity Shares Sunita Rajendra Gandhi, Promoter, 14,92,080 Equity Shares by Sequoia Capital India Growth and Investment Holdings ("SCI-GIH") AND 60,07,920 Equity Shares by SCI Growth Investments II ("SCI")

Particulars	Proceeds from OFS	Proceeds from Fresh Issue	Total
Equity Shares of face value of ₹ 10 each for cash at a price of ₹ 385 per Equity Share (including share premium of ₹ 375 per equity share)	3,176.25	950.00	4,126.25
Less: Share issue expenses	(167.61)	(50.74)	(218.35)
Net Proceeds	**3,008.64**	**899.26**	**3,907.90**
Utilisation:			
Repayments made to Other shareholders	(3,008.64)	-	(3,008.64)
Fund utilised for repayment of various borrowings	-	(899.26)	(899.26)
Closing balance of proceeds pending utilisation	**-**	**-**	**-**

There was no amounts of the proceeds remaining unutilised from the initial public offers as at March 31, 2021

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

Particulars	As at March 31, 2021	As at March 31, 2020
Equity share of ₹ 10/- each		
Rajendra Gandhi		
No. of shares	1,74,93,919	1,81,84,619
% of holding	53.75%	73.57%
SCI Growth Investments II		
No. of shares	32,45,047	49,61,605
% of holding	9.97%	20.07%
Sequoia Capital India Growth Investment Holdings I		
No. of shares	8,05,915	13,11,200
% of holding	2.48%	5.30%
Class A Equity share of ₹ 10/- each		
SCI Growth Investments Holdings I		
No. of shares	-	5
% of holding	0%	50%
SCI Growth Investments II	-	-
No. of shares	-	5
% of holding	0%	50%

(vii) As at March 31, 2021, the Company has reserved 6,16,416 shares (March 31, 2020: 6,18,353 shares) for issuance towards outstanding employee stock option granted. Refer Note 35.

Notes to Standalone Financial Statements

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

14(B) OTHER EQUITY

Particulars	As at March 31, 2021	As at March 31, 2020
Retained earnings	(1,101.77)	(1,936.90)
Securities Premium	3,785.55	1,094.37
Share options outstanding reserve	17.14	8.61
Total	**2,700.92**	**(833.92)**

Particulars	As at March 31, 2021	As at March 31, 2020
A) Retained earnings		
Opening balance	(1,936.90)	(1,949.29)
Add/(Less) : Profit for the year	811.84	28.41
Add/(Less) : Remeasurement gain/(loss) of defined benefit obligation recognised in other comprehensive Income	23.29	(2.56)
Add/(Less) : Impact on adoption of Ind AS 116	-	(13.46)
Closing balance [A]	**(1,101.77)**	**(1,936.90)**
B) Securities premium		
Opening balance	1,094.37	1,094.37
Add/(Less) : Movement during the year	2,741.92	-
Add/(Less) : Share issue expenses	(50.74)	-
Closing balance [B]	**3,785.55**	**1,094.37**
C) Share options outstanding reserve		
Opening balance	8.61	-
Add : Amounts recorded on grants / vesting during the year (net)	12.63	8.61
Less : Movement due to forfeiture during the year		-
Less : Movement due to share options exercised during the year	(4.10)	-
Closing balance [C]	**17.14**	**8.61**
Grand total [A+B+C]	**2,700.92**	**(833.92)**

(i) Retained Earnings

Retained earnings are the profits/(loss) that the Company has earned till date, less any transfers to other reserves and other distributions paid to its equity shareholders.

(ii) Securities premium

Securities premium is used to record the premium received on issue of shares.

(iii) Share options outstanding reserve

Share options outstanding reserve is used to record the expenses towards share based payment to employees recognised on straight line basis over the vesting period till date, less any transfer to other reserves.

Notes to Standalone Financial Statements

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

15 BORROWINGS (NON-CURRENT)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured (at amortized cost):		
Term loan from bank [Refer note 15(i) and (ii)]	191.82	162.32
Term loan from financial institutions [Refer note 15(iii)]	4.71	32.12
Vehicle loan [Refer note 15(iv)]	10.10	6.34
Unsecured (at fair value through Profit & Loss)		
Compulsory Convertible Debentures (CCD) [Refer note 14(a)(iii)]	-	1,847.47
(As March 31, 2020: 60,89,554 Compulsory Convertible Debentures (CCD) of ₹ 10/- each)		
Total	**206.63**	**2,048.25**

Notes :

Sl. No.	Particulars	Interest Rate	Installments outstanding as of March 31, 2021	As at March 31, 2021	As at March 31, 2020
	Term loans from Banks				
(i)	Guaranteed Emergency Credit Line (GECL) loan from HDFC Bank Ltd) of ₹ 196 Mn. Repayment: repayable in 48 monthly instalments, after 12 months moratorium. Security: Extension of second ranking charge over existing primary and collateral securities including mortgages created in favour of HDFC Bank for working capital facilities and personal guarantee of Mr. Rajendra Gandhi and Mrs. Sunita Rajendra Gandhi	3 months Repo Rate + 3% spread	48 installments	195.90	-
(ii)	Term loan from IDFC First Bank (IDFC) of ₹ 250 Mn was taken during the FY 2018-19. Repayment: Loan is repayable in 36 equal instalments, and commenced from April 2019. Security: Equitable mortgage of vacant industrial land of the company located at Harohalli, Ramanagara District and personal guarantee of Mr. Rajendra Gandhi, Mrs. Sunita Rajendra Gandhi and Ms. Neha Gandhi. During the year the said loan has been repaid in full, from the IPO proceeds and the formal closure and cancellation of charges are in progress.	12 month marginal cost of fund based lending rate (MCLR) + 2.25% spread which is subject to yearly reset	Nil	-	257.28
	TOTAL			**195.90**	**257.28**
	Less: Current portion (Refer Note 20)			(4.08)	(94.96)
	Net balance, Non-current			**191.82**	**162.32**

Notes to Standalone Financial Statements

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

Sl. No.	Particulars	Interest Rate	Installments outstanding as of March 31, 2021	As at March 31, 2021	As at March 31, 2020
(iii)	**Term loan from financial institutions**				
	Equipment Finance facility from Tata Capital Financial Services Limited for ₹ 80 Mn with tenor of 48 months. The said loan was fully repaid in February 2021	Floating interest rate @ 11.75% p.a	Nil	-	45.37
	Security: Exclusive charge on equipment's purchased out of TCFSL facility and irrevocable and unconditional personal guarantee of Mr. Rajendra Gandhi and Mrs. Sunita Rajendra Gandhi.				
	Equipment Finance facility from Electronica Finance Limited for ₹ 21.40 Mn with tenor of 24 months.	12.25%	17 Installments	15.50	
	Security: Exclusive charge on equipment's purchased out of Electronica Finance facility and personal guarantee of Mr. Rajendra Gandhi and Mrs. Sunita Rajendra Gandhi.				
	TOTAL			**15.50**	**45.37**
	Less: Current portion (Refer Note 20)			(10.79)	(13.25)
	Net Balance, non-current			**4.71**	**32.12**

(iv) The company had borrowed ₹ 10 Mn vehicle loan from BMW Financial Services. Rate of interest is 9.11% per annum which is repayable in 36 equal monthly instalments.

Security: Exclusive hypothecation on the vehicle.

The Company had borrowed ₹ 8 Mn towards vehicle loan from BMW Financial Services. Rate of interest is 8.51% per annum which is repayable in 60 equal monthly instalments.

Security: Exclusive hypothecation on the vehicle.

The Company had borrowed ₹ 3.99 Mn towards vehicle loan from HDFC Bank Ltd. Rate of interest is 8.8% per annum which is repayable in 60 equal monthly instalments.

Security: Exclusive hypothecation on the vehicle.

The Company, during the year, borrowed ₹ 5.95 Mn towards vehicle loan from HDFC Bank Ltd. Rate of interest is 8.20% per annum which is repayable in 48 equal monthly instalments.

Security: Exclusive hypothecation on the vehicle.

The Company, during the year, borrowed ₹ 3.09 Mn towards vehicle loan from HDFC Bank Ltd. Rate of interest is 8.20% per annum which is repayable in 48 equal monthly instalments.

Security: Exclusive hypothecation on the vehicle.

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes.

Notes to Standalone Financial Statements

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

Particulars	As at April 1, 2019	Cash flows		Non cash Changes		As at March 31, 2020
		Proceeds	Repayments	Acquisition/ (Conversions)	Fair value change/ others#	
(a) Non Current Borrowings						
Borrowings from bank	357.80	103.98	(200.72)	-	-	261.06
Borrowings from other financial institution	6.40	80.00	(36.14)	-	-	50.26
Compulsory convertible debentures (CCD)	1,847.47	-	-	-	-	1,847.47
(b) Current Borrowings*	999.44	215.86	-	-	5.25	1,220.55
Total Borrowings	**3,211.11**	**399.84**	**(236.86)**	**-**	**5.25**	**3,379.34**

Particulars	As at March 31, 2020	Cash flows		Non cash Changes		As at March 31, 2021
		Proceeds	Repayments	Acquisition/ (Conversions)	Fair value change/ others#	
(a) Non Current Borrowings						
Borrowings from bank	261.06	204.95	(258.66)	-	-	207.35
Borrowings from other financial institution	50.26	42.15	(73.67)	-	-	18.74
Compulsory convertible debentures(CCD)	1,847.47	-		(1,847.47)	-	-
(b) Current Borrowings*	1,220.55	-	(922.62)	-	0.04	297.97
Total Borrowings	**3,379.34**	**247.10**	**(1,254.95)**	**(1,847.47)**	**0.04**	**524.06**

* current borrowings are disclosed based on net movement

includes adjustments due to amortised cost movements or exchange restatements

16 OTHER FINANCIAL LIABILITIES (NON-CURRENT)

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits received	171.24	108.27
Total	**171.24**	**108.27**

17 PROVISIONS (NON-CURRENT)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits:		
Compensated absence	9.25	6.79
Gratuity (Refer note 33)	43.46	44.91
Provision for warranties (Refer Note (i) below)	19.05	11.04
Total	**71.76**	**62.74**

(i) **Note**

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 year and previous years, the details of which are given below:

Notes to Standalone Financial Statements

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

Particulars	As at March 31, 2021	As at March 31, 2020
Warranty Provision		
Opening balance	19.57	15.48
Add/(Less) : Additions during the year	13.87	15.44
Add/(Less) : Unwinding of interest on discounting of provision	0.20	-
Add/(Less) : Reversed / utilisation during the year	(0.91)	(11.35)
Closing balance	**32.73**	**19.57**
Of the above the amounts expected to be incurred within a year, classified as current	13.68	8.53
Non-current portion	**19.05**	**11.04**

The warranty expenditure is expected to be incurred over the warranty life of the products, as contracted, which varies from 6 months to 5 years

18 BORROWINGS (CURRENT)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured loans repayable on demand from banks (at amortised cost):		
From banks (Refer note (i) below)	297.97	1,098.60
From financial institutions (Refer note (ii) below)	-	121.95
Total	**297.97**	**1,220.55**

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 property, plant and equipment of the company along with equitable mortgage of immovable properties.

(ii) Security: Exclusive charge on the trade receivables which is discounted by the financial institution and also secured by personal guarantee of Mr. Rajendra Gandhi and Mrs. Sunita Rajendra Gandhi.

19 TRADE PAYABLES

Particulars	As at March 31, 2021	As at March 31, 2020
Other than Acceptances		
Total outstanding dues of micro enterprises and small enterprises (Refer note 37)	59.46	46.61
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,706.75	1,465.84
Total	**1,766.21**	**1,512.45**

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payables towards materials	1,157.86	903.71
Trade payables towards services	260.89	249.40
Trade payables towards accruals	347.46	359.34
Total	**1,766.21**	**1,512.45**

a) Trade payables are non-interest bearing and are normally settled between 60 to 150 days.

b) The company's exposure to currency and liquidity risk related to trade payable is disclosed in Note 32.

Notes to Standalone Financial Statements

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

20 OTHER FINANCIAL LIABILITIES (CURRENT)

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of non-current borrowings		
Term loan from bank [Refer note 15(i) and (ii)]	4.08	94.96
Term loan from financial institutions [Refer note 15(iii)]	10.79	13.25
Vehicle loan [Refer note 15(iv)]	4.59	2.33
Security deposits received	7.74	50.76
Interest accrued but not due on borrowings	1.33	4.50
Derivative liabilities	-	0.66
Other payables:		
Payable on purchase of property, plant and equipment	61.14	105.25
Interest payable on security deposits	-	15.25
Total	**89.67**	**286.96**

21 PROVISIONS (CURRENT)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits:		
Gratuity (Refer note 33)	5.61	6.20
Compensated absence	2.26	2.11
Provision - others:		
For warranty (Refer note 17(i))	13.68	8.53
Total	**21.55**	**16.84**

22 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred revenue	-	16.68
Statutory remittances	32.50	17.40
Advance received from customers	25.37	14.27
Total	**57.87**	**48.35**

23 REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of products	8,532.91	6,666.22
Other operating revenue:		
Sale of scrap	27.22	15.37
Duty drawback	29.44	17.02
Total	**8,589.57**	**6,698.61**

Refer Note 38 for disaggregated revenues from contracts with customers by geography.

Notes to Standalone Financial Statements

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

Performance obligations and remaining performance obligations:

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting year and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts that have original expected duration of one year or lesser.

24 OTHER INCOME

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income (refer note (i) below)	4.97	3.01
Miscellaneous income	3.73	2.95
Liability no longer required, written back	1.84	3.13
Fair Value changes on derivative instruments	0.66	2.11
Share of Profit from investment in partnership firm	2.82	9.82
Profit on sale of property, plant and equipment (net)	0.51	0.25
Total	**14.53**	**21.27**

Note(i) - Interest income comprises:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest from banks on deposits	4.77	2.81
Interest income on financial assets designated at amortized cost	0.20	0.20
Total	**4.97**	**3.01**

25 COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening stock	446.41	355.94
Add: Purchases	4,724.66	3,322.85
	5,171.07	**3,678.79**
Less: Closing stock	(746.84)	(446.41)
Total	**4,424.23**	**3,232.38**

26 PURCHASE OF STOCK-IN-TRADE

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Purchase of traded goods	1,251.90	1,287.63
Total	**1,251.90**	**1,287.63**

Notes to Standalone Financial Statements

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

27 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories at the end of the year:		
Finished goods	436.04	383.89
Work-in-progress	119.72	61.61
Stock-in-trade	257.49	274.03
	813.25	**719.53**
Inventories at the beginning of the year:		
Finished goods	383.89	246.83
Work-in-progress	61.61	31.98
Stock-in-trade	274.03	339.39
	719.53	**618.20**
(Increase) / decrease	**(93.72)**	**(101.33)**

28 EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages	698.80	726.17
Contributions to provident fund (Refer note 33)	48.22	38.45
Gratuity expense (Refer note 33)	15.34	15.67
Share-based payments to employees (Refer note 35)	12.63	8.61
Staff welfare expenses	31.18	31.21
Total	**806.17**	**820.11**

29 FINANCE COSTS

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense on:		
Borrowings	148.03	144.93
Lease liabilities	-	0.56
Provision	1.18	-
Others	31.82	35.81
Other borrowing cost:		
Other processing charges (refer note (i) below)	7.26	27.71
Total	**188.29**	**209.01**

Note

(i) Bank charges incurred for standard services received from the bank, previously classified as finance cost, has now be reclassified under 'Other Expenses' in Note 31 as the same is not in the nature of finance costs.

Notes to Standalone Financial Statements

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

30 DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on property, plant and equipment (Refer note 3(a))	135.56	108.83
Amortization of right-of-use assets(Refer note 3(c))	-	9.94
Amortization of intangible assets (Refer note 3(b))	6.79	2.67
Total	**142.35**	**121.44**

31 OTHER EXPENSES

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Job work charges	146.57	67.83
Power and fuel	89.76	69.88
Lease rentals	10.10	6.14
Repairs and maintenance		
Buildings	17.07	14.78
Plant and machinery	48.35	31.40
Others	4.58	3.22
Insurance	6.75	7.86
Rates and taxes	7.05	15.42
Communication	9.11	6.86
Travelling and conveyance	37.43	100.29
Printing and stationery	1.20	1.14
Freight and forwarding	289.17	240.70
Sales commission	97.47	90.70
Business promotion and advertisement expenses	184.83	316.26
Legal and professional fees	25.90	35.46
Payment to auditors comprises (net of Taxes)*		
For statutory audit	3.50	3.50
Out-of-pocket expense	0.06	1.11
Net loss on foreign currency transactions and translation	9.52	12.54
Provision for doubtful trade and other receivables, loans and advances (net) and balances written off	40.39	40.30
Provision for warranty (Refer note 17(i))	13.87	15.44
Impairment loss on investment in partnership firm	2.69	3.18
Royalty	11.23	10.04
Bank Charges**	4.14	-
Miscellaneous expenses	12.30	28.18
Total	**1,073.04**	**1,122.23**

* The amount excludes ₹ 5.65 Mn pertaining to payment to auditors towards fee for Initial Public Offer (Share issue expenses). Of this, Company's share of IPO expenses stands adjusted against securities premium to the extent permissible under section 52 of the Companies Act, 2013.

**Bank charges of ₹ 4.14 Mn (for the year ended March 31, 2020 ₹ 2.73 Mn) being in the nature of charges paid for services rendered by banks has been included in Other Expenses, previously classified as Finance Cost (Note 29)

"The provisions of section 135 of the Companies Act, 2013, with respect corporate social responsibility, is not applicable to the Company, as the Company does not satisfy any of the criteria specified in the said section"

Notes to Standalone Financial Statements

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

32 FINANCIAL INSTRUMENTS

32.1 Capital management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt and total equity of the Company consists of net debt (borrowings as detailed in notes 15, 18 and Current maturities of non-current borrowings as detailed in note 20, offset by cash and bank balances) and total equity.

The Company reviews the capital structure on a semi-annual basis to ensure that it is in compliance with the required covenants.

Gearing ratio

The gearing ratio at end of the reporting year was as follows.

Particulars	As at March 31, 2021	As at March 31, 2020
Debt (i)	524.06	3,379.34
Less: Cash and bank balances	373.47	187.70
Net Debt(A)	**150.59**	**3,191.64**
Total Equity(B)	**3,026.82**	**(586.75)**
Net debt to equity ratio (A/B) (Refer note (ii) below)	**5%**	**-**

(i) Debt is defined as non-current borrowings, current maturities of non-current borrowings and current borrowings (borrowings as detailed in notes 15 and 18 and current maturities of non-current borrowings as detailed in note 20).

(ii) The net debt to equity ratio as at March 31, 2020 has not been computed as the accumulated losses have exceeded the paid up capital and other free reserves as at that date. The Company however, for the purpose of its internal reporting, considers the outstanding compulsorily convertible debentures ("CCD") as at March 31, 2020 of ₹ 1,847.47 to represent an element of equity, whereby the revised position of the net debt to equity ratio would be:

Particulars	As at March 31, 2020
Debt (Gross)	3,379.34
Less: Outstanding CCD	1,847.47
Less: Cash and bank balances	187.70
Revised Net Debt (A)	**1,344.17**
Total Equity	(586.75)
Add: Outstanding CCD	1,847.47
Revised Total Equity (B)	**1,260.72**
Net debt to equity ratio (A/B)	**1.07**

Notes to Standalone Financial Statements

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

Categories of financial instruments:

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets		
Measured at amortised cost		
Trade receivables	847.24	1,030.34
Cash and bank balances	373.47	187.70
Loans	5.20	3.52
Other financial assets	82.58	63.30
Financial liabilities		
Measured at fair value through profit or loss (FVTPL)		
Borrowing	-	1,847.47
Derivative financial liability	-	0.66
Measured at amortised cost		
Borrowings (including current maturities of non current borrowings)	524.06	1,531.87
Trade Payables	1,766.21	1,512.45
Other financial liabilities	241.45	284.03

32.2 Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis

Fair Valuation techniques and inputs used

Particulars	Fair value hierarchy	Basis of valuation	As at March 31, 2021	As at March 31, 2020
Financial liabilities				
Borrowings	Level - 3	Note 3	-	1,847.47
Derivative Instruments	Level - 2	Note 1	-	0.66

Note

1. The fair value of derivative contracts are determined using the market approach considering forward exchange rates at the balance sheet date.
2. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting year) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.
3. The fair value is determined at a present value which discounts the potential future cash flows.

   The management considers that the carrying amount of financial assets and financial liabilities recognised in these financial statements at amortised cost approximate their fair values.

Notes to Standalone Financial Statements

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

Reconciliation of Level 3 fair value measurements

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	1,847.47	1,847.47
Add: Movement during the year	(1,847.47)	-
Closing balance	**-**	**1,847.47**

The management considers that the carrying amount of financial assets and financial liabilities recognised in these financial statements at amortised cost approximate their fair values

Financial risk management objectives

The company's risk management is carried out by Treasury department under policies laid down by the management. The Company's activities expose it to market risk (which includes currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. Treasury department monitors the risk exposures on a periodical basis and reports to the Board of directors on the risks that it monitors and policies implemented to mitigate risk exposures.

The company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. The company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

32.3 Foreign currency risk management

The Company is exposed to foreign exchange risk due to:

a) exposure arising from transactions relating to purchase of goods including capital goods, revenues, expenses, etc., to be settled in foreign currencies.

Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts

32.3.1 Forward foreign exchange contracts

It is the policy of the company to enter into forward foreign exchange contracts to cover the risk associated with trade receivables and trade payables.

The following table details the forward foreign currency contracts outstanding at the end of the reporting year:

Contracts not designated as cash flow hedge

Particulars	Currency	As at March 31, 2021	As at March 31, 2020
Trade payables hedged with forward contracts with maturity less than 120 days	USD	-	0.12
	INR	-	8.81

Notes to Standalone Financial Statements

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

The carrying amount of the company's foreign currency denominated monetary liabilities (Payables) and assets (Receivables) as at the end of the reporting year are as follows:

Particulars	Currency	As at March 31, 2021	As at March 31, 2020
Payables (including current borrowings)	USD	67.38	194.27
	EURO	-	30.91
	RMB	68.24	45.55
Trade receivables	**USD**	**97.21**	**69.60**

32.3.2 Foreign currency sensitivity analysis

The company is mainly exposed to the currency USD

Financial instruments affected by changes in foreign exchange rates include trade receivables, trade payables and current borrowings. The following table details the Company's sensitivity to a 5% increase and decrease in INR against the USD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The impact on account of 5% appreciation/depreciation in exchange rate of USD against INR is given below.

Particulars	Increase/(decrease) in equity	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Appreciation of USD	(1.49)	(6.23)
Depreciation of USD	1.49	6.23

The impact on equity has been arrived at by applying the effects of appreciation / deprecation effects of currency on the net position (Assets in foreign currency - Liabilities in foreign currency) in the respective currencies.

For the purposes of the above table, it is assumed that the carrying value of the financial assets and liabilities as at the end of the respective financial years remains constant thereafter. The exchange rate considered for the sensitivity analysis is the exchange rate prevalent as at each year end.

The sensitivity analysis might not be representative of inherent foreign exchange risk due to the fact that the foreign exposure at the end of the reporting year might not reflect the exposure during the year.

32.4 Interest rate risk

The company has also taken an INR loan at variable interest rate, interest being index linked, that is their cost is linked to changes in the Marginal Cost of fund based lending rate (MCLR).

The company is not subject to any other material interest rate risk.

Notes to Standalone Financial Statements

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

At the reporting date the interest rate profile of the company's interest-bearing financial instruments is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed-rate instruments		
Financial assets		
Balance held as margin money	78.94	43.78
Fixed Deposit held as cash and cash equivalent	-	-
Financial liabilities		
Borrowings from bank and other financial institution	14.69	8.67
Security deposit received	178.98	159.03
	272.61	**211.48**
Variable-rate instruments		
Financial liabilities		
Borrowings from bank and other financial institution	509.37	1,523.20
	509.37	**1,523.20**

Interest rate sensitivity analysis

A change of 100 basis points (bps) in interest rate at the reporting date would have increased / (decreased) equity by the amount shown below. This analysis assumes that all other variables remain constant.

Particulars	Increase/(decrease) in equity	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Increase of 100 bps on variable rate instruments	(10.46)	(11.22)
Decrease of 100 bps on variable rate instruments	10.46	11.22

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is the local interbank rate in the currency of the loan. The Company will settle the difference between the fixed and floating interest rate on a net basis.

The line-item in the balance sheet that includes the above instrument is "Other financial assets"

32.5 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated. The company does not hold any collaterals to cover its risk associated with trade receivables.

Credit risk also arises from cash and cash equivalents, financial instruments and deposits with banks and financial institutions."

The credit risk on derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Notes to Standalone Financial Statements

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

Reconciliation of expected credit loss - Trade receivables

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening Provision	98.38	77.26
Add : Additional Provision	40.39	21.12
Less : Reversed on account of written off during the year	(13.01)	-
Closing Provision	**125.76**	**98.38**

Particulars	As at March 31, 2021	As at March 31, 2020
Outstanding for more than 6 months	198.81	62.95
Others	648.43	967.39
Total	**847.24**	**1,030.34**

Reconciliation of loss allowance provision for security deposits

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Provision	1.18	1.18
Add / (Less) : Change in Provision	-	-
Closing Provision	**1.18**	**1.18**

Liquidity risk

Liquidity risk is the risk that the company could be unable to meet its short term financial demands. Ultimate responsibility for liquidity risk management rests with the management, which has established an appropriate liquidity risk management framework for the management of the company's short-term, medium-term and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual short term and long term cash flows, and by matching the maturity profiles of financial assets and liabilities.

Liquidity analysis for non derivative financial liabilities

The following table details the company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment years. The table have been drawn up based on the undiscounted principal cash flows of financial liabilities based on the earliest date on which the company is required to pay. The contractual maturity is based on the earliest date on which the company would be required to pay.

As at March 31, 2021

Particulars	Due within			Total
	1 year	1-3 years	> 3 years	
Borrowings	317.43	161.74	44.89	**524.06**
Trade payables	1,766.21	-	-	**1,766.21**
Other financial liabilities	149.63	243.00	-	**392.63**

The interest rate for borrowings with variable interest rate is in the range of 7.1% to 8.25%. The interest rate for borrowings with fixed interest rate is 12.25%. Interest rate for security deposit classified as other financial liabilities is 9%.

Notes to Standalone Financial Statements

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

As at March 31, 2020

Particulars	Due within 1 year	Due within 1-3 years	Due within > 3 years	Total
Borrowings	3,178.56	182.92	17.86	**3,379.34**
Trade payables	1,512.45	-	-	**1,512.45**
Other financial liabilities	175.76	108.27	-	**284.03**

The interest rate for borrowings with variable interest rate is in the range of 10.5% to 12.5%.
The interest rate for borrowings with fixed interest rate is 12.25%. Interest rate for security deposit classified as other financial liabilities is 9%.

32.6 Financing Facilities

Particulars	As at March 31, 2021	As at March 31, 2020
Secured term loan facilities		
- amount used	195.90	257.28
- amount unused	-	-
Secured cash credit facilities		
- amount used	280.00	1,220.55
- amount unused	274.32	119.65
Secured non-fund based bank facilities		
- amount used	384.76	114.00
- amount unused	-	49.60

33 EMPLOYEE BENEFIT

Defined contribution plans

The company makes Provident fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the said schemes, the company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the company are at rates specified in the rules of the Scheme. The company recognises the amount paid / payable to such funds in the Standalone statement of profit and loss. The contributions made by the company towards these schemes are as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Employer's contribution to provident fund (included as Contributions to provident fund, in Note 28)	48.22	38.45
Employee state insurance scheme (included as Staff welfare expenses, in Note 28)	9.62	10.10

Notes to Standalone Financial Statements

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

Defined benefit plans

The Company offers gratuity, a defined employee benefit scheme to its employees. Following are the risks associated with the plan:

A. Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Salary growth: Salary hikes that are higher than the assumed salary escalation will result in to an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption there the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit , the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the Company there can be strain on the cash flows.

C. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate.
The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits and vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

D. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

No other post-retirement benefits are provided to these employees.

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Following tables sets out the un-funded status of defined benefit plan and amount recognised in Standalone financial statement.

1 Assumptions

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Discount rate	6.73%	6.56%
Salary escalation	6.00%	6.00%
Attrition rate	25.00%	25.00%

Notes to Standalone Financial Statements

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

2 Change in present value of obligation

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of obligation as at the beginning of the year	51.12	39.18
Interest cost	3.40	2.50
Current service cost	11.94	13.17
Past service cost	-	-
Benefits paid	(1.24)	(3.81)
Actuarial (gain)/loss of obligations	(16.15)	0.08
Present Value of Obligation as at the end of the year	**49.07**	**51.12**

3 Fair value of plan assets

Particulars	As at March 31, 2021	As at March 31, 2020
Fair value of plan assets at beginning of the year	-	-
Expected return of plan assets	-	-
Contributions	-	-
Benefit paid	-	-
Actuarial gain / (loss) on plan assets	-	-
Fair value of plan assets at end of the year	**-**	**-**

4 Amounts recognized in Balance sheet

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of obligations as at the end of the year	49.07	51.12
Fair value of plan assets as at the end of the year	-	-
Funded status	(49.07)	(51.12)
Net balance sheet asset/ (liability) recognized at the end of the year	**(49.07)**	**(51.12)**
Current portion	5.61	6.21
Non-current portion	43.46	44.91

5 Expenses Recognized in statement of profit and loss

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current service cost	11.94	13.17
Interest cost	3.40	2.50
Past service cost	-	-
Expected Return On Plan Assets	-	-
Amortization Of Actuarial (Gain)/Loss	-	-
Expenses recognized in statement of profit and loss	**15.34**	**15.67**

Notes to Standalone Financial Statements

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

6 Components of defined benefit costs recognised in Other Comprehensive Income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	(0.52)	2.30
Actuarial (gains) / losses arising from experience adjustments	(15.63)	(2.22)
Actuarial (gains) / losses in Other Comprehensive Income	**(16.15)**	**0.08**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Effect on DBO due to 100 bps increase in discount rate	46.19	48.13
Effect on DBO due to 100 bps decrease in discount rate	52.29	54.46

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Effect on DBO due to 100 bps increase in salary escalation rate	51.98	54.12
Effect on DBO due to 100 bps decrease in salary escalation rate	46.39	48.34

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Effect on DBO due to 100 bps increase in attrition rate	49.39	50.80
Effect on DBO due to 100 bps decrease in attrition rate	49.06	51.44

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting year, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years. There has been no change in the process used by the Company to manage its risks from prior years.

7 Expected future cash outflows (undiscounted) towards the plan are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Year 1	5.87	6.50
Year 2	7.00	4.84
Year 3	3.70	6.47
Year 4	3.94	3.45
Year 5	5.16	3.45
Year 6 to 10	13.35	17.11

Notes to Standalone Financial Statements

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

34 LEASES

Particulars	As at March 31, 2021	As at March 31, 2020
Current lease liability	-	2.49
Non Current lease liability	-	-
Total	**-**	**2.49**

The following is the movement in lease liabilities:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening balance of liabilities	2.49	-
Additions	-	35.69
Deletions	(2.49)	(25.75)
Finance cost accrued during the year	-	0.56
Payment of lease liabilities	-	(9.34)
Translation difference (net)	-	1.33
Closing balance of liabilities	**-**	**2.49**

Details Regarding The Contractual Maturities Of Lease Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Less than one year	-	2.49
One to five years	-	-
More than five years	-	-
Total	**-**	**2.49**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

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 statement of profit and loss for the year ended March 31, 2021 against such lease arrangements is ₹ 10.10 Mn (₹ 6.14 Mn for the year ended March 31, 2020).

35 SHARE-BASED PAYMENT ARRANGEMENTS

A. Description of share-based payment arrangements

Share option programmes (equity-settled)

The Company has share option scheme “Stove Kraft Employee Stock Option Plan 2018”, for employees of the Company. In accordance with the terms of the plan the Company may grant options to the eligible employees, as approved by the shareholders of the Company and the Nomination and Remuneration Committee (the “Committee”). Each employee share option converts into one equity share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The option carry neither a right to dividends nor voting rights.

Employees Stock Option Plan 2018

Options would vest essentially on passage of time and in addition to this, the committee may also specify certain performance criteria subject to satisfaction of which the option would vest.

Notes to Standalone Financial Statements

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

Grant Date	No. of Options	Vesting conditions	Contractual life of the options vesting period
October 1, 2018	7,55,328	The options granted would normally vest over a maximum period of 5 years from the date of the grant in proportions specified in 'Stove Kraft Employee Stock Option Plan 2018' scheme.	5 years
January 03, 2020	30,081	100% options granted vested over a period of 1 year from the date of the grant as per 'Stove Kraft Employee Stock Option Plan 2018' scheme.	1 year
October 10, 2020	2,70,725	The options granted would normally vest over a maximum period of 4 years from the date of the grant in proportions specified in 'Stove Kraft Employee Stock Option Plan 2018' scheme.	4 years

B. Measurement of fair value

Fair value of share options granted:

The weighted average fair value of the share options granted is ₹ 69. The fair value of the employee share options has been measured using the Black-Scholes formula. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

The requirement that the employee has to save in order to purchase shares under the share purchase plan has been incorporated into the fair value at grant date by applying a discount to the valuation obtained. The discount has been determined by estimating the probability that the employee will stop saving based on historical behaviour.

Inputs into the model	Option granted under 'Stove Kraft Employee Stock Option Plan 2018'		
Grant date	October 10, 2020	January 03, 2020	October 01, 2018
Grant date share price	274.80	155.00	99.25
Exercise price	150.00	150.00	150.00
Expected volatility	53.35%	41.20%	21.41%
Option life	4 years	1 year	5 years
Dividend yield	-	-	-
Risk-free interest rate	6.45%	6.05%	7.52%

C. Reconciliation of outstanding share options

The number and weighted average exercise prices of share options under the share option programmes were as follows:

Employees stock option plan:	As at March 31, 2021		As at March 31, 2020	
Particulars	Number of options	Weighted average exercise price (in ₹)	Number of options	Weighted average exercise price (in ₹)
Option outstanding at the beginning of the year	6,18,353	150	7,55,328	150
Granted during the year	2,70,725	150	30,081	150
Exercised during the year	1,27,197	150	1,67,056	150
Forfeited/Expired during the year	1,45,465	150	-	-
Options outstanding at the end of the year	6,16,416	150	6,18,353	150
Exercisable at the end of the year	1,50,591	150	-	-

The share option outstanding at the end of the reporting year had a weighted average exercise price of ₹ 150 and weighted average remaining contractual life of 2.52 years.

Notes to Standalone Financial Statements

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

36 EARNINGS PER SHARE

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Basic		
Net profit/(loss) after tax attributable to the equity shareholders (₹ in Mn) (A)	811.84	28.41
Weighted average no. of equity shares outstanding (B)	3,05,07,422	3,01,22,081
Face value per share (₹)	10.00	10.00
Basic earnings per share (A/B) (₹)	**26.61**	**0.94**
Diluted		
Net profit/(loss) after tax attributable to the equity shareholders (₹ in Mn) (C)	811.84	28.41
Weighted average no. of equity shares outstanding	3,05,07,422	3,01,22,081
Add: Effect of dilutive common equivalent shares – share options outstanding	4,23,786	-
Weighted average number of equity outstanding for Diluted EPS (D)	**3,09,31,208**	**3,01,22,081**
Face value per share (₹)	10.00	10.00
Diluted earnings per share (C/D) (₹)	**26.25**	**0.94**

37 DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Particulars	As at March 31, 2021	As at March 31, 2020
(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;	53.70	37.70
(ii) interest due thereon remaining unpaid to any supplier as at the end of the accounting year	3.00	4.34
(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;	2.76	4.57
(v) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	5.76	8.91
(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.	0.52	1.25

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.

Notes to Standalone Financial Statements

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

38 SEGMENT REPORTING

The Company's operates under one segment of Kitchen and Home Appliances. Hence, segment reporting is not applicable.

Geographical information:

The Company predominantly operates in India.

a. Revenue earned within India and outside India are as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
India	7,686.72	6,154.27
Others	846.19	511.95
Total	**8,532.91**	**6,666.22**

b. Non-current* assets with in India and outside India are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
India	2,497.38	2,053.19
Others	-	-
Total	**2,497.38**	**2,053.19**

*Non-current assets exclude financial assets and non-current tax assets.

c. Revenue from major customers

Revenue from customers who individually represented more than 10% of the Company's total revenue, consisted of one customer from whom 22.96% of company's total revenue was earned (March 31, 2020 consisted of one customer representing 15.69% of total revenue).

39 RELATED PARTY TRANSACTIONS

A. List of related parties:

Sl. No.	Name of the related party	Nature of relationship
1	Key managerial personnel (KMP):	
	Mr. Lakshmikant Gupta (From May 11, 2018)	Chairman of the Board
	Mr. Rajendra Gandhi	Managing Director (MD)
	Mrs. Shubha Rao Mayya (From August 30, 2018)	Independent Director
	Mr. Rajiv Nitin Mehta (From September 03, 2019)	Chief Executive Officer and Whole Time Director
	Mr. Rajiv Nitin Mehta (From May 11, 2018 to September 02, 2019)	Independent Director
	Mr. Bharat Singh (From September 21, 2018)	Nominee Director
	Ms. Neha Gandhi	Relative of MD and Director
	Mr. Shashidhar SK (From July 27, 2018)	Company Secretary and Chief Financial Officer
2	Enterprises owned or significantly influenced by KMP or their relatives:	
	Shinag Allied Enterprises Private Limited (SAEPL)	MD's brother's wife is a Director
	Pigeon Appliances Private Limited (PAPL)	Company is shareholder and MD is director
3	Investment in Partnership Firms:	
	Stove Kraft India (SKI)	Company and MD are partners in the Firm
4	Relative of KMP	
	Mrs. Sunita Rajendra Gandhi	Relative of MD

Note: Related parties mentioned above is as identified by the Company relied upon by the auditors.

Notes to Standalone Financial Statements

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

B. Transactions with related parties

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations		
SAEPL	0.16	0.05
Purchases		
SAEPL	0.71	-
Job Work		
SAEPL	1.37	-
Rent including lease rentals		
Mrs. Sunita Rajendra Gandhi	0.36	0.72
Managerial remuneration:		
Mr. Rajendra Gandhi	8.71	10.11
Mr. Shashidhar SK	6.63	7.82
Mr. Rajiv Nitin Mehta	19.63	7.33
Ms. Neha Gandhi	2.02	2.31
Investment / (Drawings) (net) in		
SKI	(9.42)	(88.27)
Impairment loss on investment in		
SKI	2.69	3.18
Share of Profit / (loss)		
SKI	2.82	9.82
Sitting Fee paid to		
Mrs. Shubha Rao Mayya	0.90	0.80
Mr. Lakshmikant Gupta	0.90	0.65
Mr. Rajiv Nitin Mehta	-	0.20
ESOP		
Mr. Rajiv Nitin Mehta	13.24	-
Mr. Shashidhar SK	0.44	0.51

C. Balances with related parties

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payable (including payble for Property, Plant and Equipments)		
PAPL	0.29	0.29
SAEPL	2.93	2.68
Trade receivables (including advances given)		
SAEPL	3.42	3.42
Receivables		
Mr. Rajendra Gandhi	4.99	3.14
Investments		
SKI	-	9.29
Rent Payable		
SKI	-	0.88
Remuneration payable		
Mr. Rajendra Gandhi	0.77	1.25
Ms. Neha Gandhi	0.18	0.33
Mr. Shashidhar SK	0.62	1.15
Mr. Rajiv Nitin Mehta	0.93	1.11

Notes to Standalone Financial Statements

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

D. The remuneration of Directors and other members of Key Management Personnel during the year was as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Short-term benefits	36.74	26.37
ESOP	13.68	0.51
Post-employment benefits (Refer note (i) below)	1.06	1.20
Total	**51.48**	**28.08**

Note (i) Post - employment benefits excludes gratuity which cannot be separately identified from the composite amount advised by the actuary.

40 CONTINGENT LIABILITIES AND COMMITMENT

Particulars	As at March 31, 2021	As at March 31, 2020
Contingent liabilities		
Indirect tax matters under appeal	58.29	62.92
Other disputed claims	2.68	2.68
Provident fund claims	9.39	9.39
Commitment		
Estimated amount of contracts remaining to be executed on capital account and not provided for tangible assets (net of advances)	347.13	44.22

41 Mr. Rajendra Gandhi, Managing Director of the Company, is also a Non-Executive Director on the Board of Pigeon Appliances Private Limited (referred as PAPL). As a result of certain disputes, which have arisen between PAPL and the Company, PAPL has not filed its annual 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 annual 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 the Company.

42 The company has a net deferred tax asset with respect to certain timing differences. The timing differences mainly relates to carried forward business losses, unabsorbed depreciation and current year depreciation, other than other disallowances arising from provisions and IndAS adjustments. These have not been recognised as the recognition criteria have not been met in accordance with the accounting policies followed by the company.

As at March 31, 2021 the company has not recognized the net deferred tax asset as there is no more probable than not certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in the near future.

Notes to Standalone Financial Statements

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

43 CONSOLIDATED STATEMENT OF TAX SUMMARY

(i) Income tax recognised in the statement of profit and loss

Particulars	As at March 31, 2021	As at March 31, 2020
Current tax		
In respect of current year	-	-
In respect of prior years	-	-
Total (A)	**-**	**-**
Deferred tax expense		
Origination and reversal of temporary differences	-	-
Total (B)	**-**	**-**
Total income tax expense recognised in the statement of profit and loss (A+B)	**-**	**-**

(ii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

Particulars	As at March 31, 2021	As at March 31, 2020
Profit before tax	811.84	28.41
Company's domestic tax rate	25.17%	34.94%
Tax using the Company's domestic tax rate (Refer Note (a) below)	204.34	9.93
Tax effect of:		
Unused tax losses not recognised as deferred tax assets	(204.34)	(9.93)
Adjustments recognised in the current year in relation to current tax of prior years	-	-
Income tax recognised in the statement of profit and loss	**-**	**-**

Note:

(a) The tax rate used in the reconciliations above is the corporate tax rate payable by corporate entities in India on taxable profits under the Indian tax law. The actual tax expense for the year ended March 31, 2021 is zero considering the unabsorbed tax losses and depreciation.

Notes to Standalone Financial Statements

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

(iii) Movement in deferred tax balances

Particulars	For the Year ended March 31, 2021					
	Net balance April 1, 2020	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)						
Property, plant and equipment	(389.15)	106.30	-	(282.85)	-	-
Employee benefits	20.97	(5.72)	-	15.25	-	-
Provision for doubtful debts	34.37	(2.72)	-	31.65	-	-
Other items	6.84	1.40	-	8.24	-	-
Deferred tax assets/ (liabilities)	**(326.97)**	**99.26**	**-**	**(227.71)**	**-**	**-**
Set off tax losses/ Deferred tax assets not recognised	326.97	(99.26)	-	227.71	-	-
Net deferred tax assets (Liabilities)	**-**	**-**	**-**	**-**	**-**	**-**

Particulars	For the year ended March 31, 2020					
	Net balance April 1, 2019	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)						
Property, plant and equipment	(380.43)	(8.72)	-	(389.15)	-	-
Employee benefits	15.71	5.26	-	20.97	-	-
Provision for doubtful debts	26.99	7.38	-	34.37	-	-
Other items	5.66	1.18	-	6.84	-	-
Deferred tax assets/ (liabilities)	**(332.07)**	**5.10**	**-**	**(326.97)**	**-**	**-**
Set off tax losses/ Deferred tax assets not recognised	332.07	(5.10)	-	326.97	-	-
Net deferred tax assets (Liabilities)	**-**	**-**	**-**	**-**	**-**	**-**

Notes to Standalone Financial Statements

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

iv) Unrecognized timing differences and tax losses and tax depreciation

Particulars	As at March 31, 2021	As at March 31, 2020
Difference between book value and tax base of Property, plant and equipment	(1,123.85)	(1,113.76)
Disallowance relating to employee benefits	60.58	60.01
Provision for doubtful debts	125.76	98.38
Others	32.73	19.57
Unabsorbed depreciation and tax losses	1,229.38	1,535.12
Net unrecognized timing differences	**324.60**	**599.32**
Tax impact	**81.70**	**209.40**

(v) The Company has a net deferred tax asset with respect to certain timing differences. These timing difference mainly relates to carried forward business losses, unabsorbed depreciation and the Company has not recognised deferred tax asset on these timing differences in the absence of being able to reasonable estimate the extent of future taxable profits against which to utilise these assets. (Refer note 42).

(vi) No deferred tax adjustments were required in respect of amounts recognised in Other Comprehensive Income in view of the nature of items included therein and the availability of unabsorbed tax losses (including tax depreciation)

44 The Board of Directors duly taking into account all the relevant disclosures made, has approved these financial statements in its meeting held on May 25, 2021

For **Deloitte Haskins & Sells**
Chartered Accountants

Jaideep S. Trasi
Partner

Place : Bengaluru
Date : May 25, 2021

Rajendra Gandhi
Managing Director
DIN: 01646143

Rajiv Nitin Mehta
Chief Executive Officer and Whole Time Director
DIN: 00697109

Shashidhar SK
Chief Financial Officer & Company Secretary
Membership Number: FCS 7119

Place : Bengaluru
Date : May 25, 2021

Independent Auditor's Report

To The Members of Stove Kraft Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of Stove Kraft Limited ("the Parent") and its subsidiary, being a partnership firm, (the Parent and subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's report including annexure to Board's Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The Board of Directors of the Parent and the partners of the partnership firm included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the Board of Directors of the Parent and partners of the partnership firm included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Director of the Parent or partners of the partnership firm either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Parent and partners of the partnership firm are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity included in the consolidated financial statements of which we are the independent auditors.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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 of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent as on March 31, 2021 taken on record by the Board of Directors of the Parent, in respect of one of the directors, disqualification was attracted under section 164(2) of the Act, however the Parent has received an order to maintain status quo of the directorship of the director from National Company Law Tribunal as referred in the note no. 41 and all other directors are not disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the Parent. Reporting on the adequacy of Internal Financial Control Over Financial Reporting is not applicable to its subsidiary, being a Partnership Firm.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;

(ii) the Group did not have any material foreseeable losses on long-term contracts including derivative contracts;

(iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

Jaideep S. Trasi
(Partner)
(Membership No. 211095)
UDIN: **21211095AAAABL8530**

Place: Bengaluru
Date: May 25, 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (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")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Stove Kraft Limited (hereinafter referred to as "Parent") as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Board of Directors of the Parent, which is the only Company of the Group, incorporated in India, to which Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act is applicable, is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Parent considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). 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 the Parent'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 internal financial controls over financial reporting of the Parent based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (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 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 internal financial controls system over financial reporting of the Parent.

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 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 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 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 Parent have, 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, 2021, based on the criteria for internal financial control over financial reporting established by the Parent considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)

Jaideep S. Trasi
(Partner)
(Membership No. 211095)
UDIN: **21211095AAAABL8530**

Place: Bengaluru
Date: May 25, 2021

Consolidated Balance Sheet

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

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Non-current assets			
Property, Plant And Equipment	3(a)	2,164.57	1,928.89
Capital Work-In-Progress		190.97	42.27
Intangible Assets	3(b)	31.66	2.95
Intangible assets under development		-	33.40
Financial Assets			
Investments	4	-	-
Other Financial Assets	5	53.12	50.33
Income Tax Asset (Net)	6	3.57	2.46
Other Non-Current Assets	7	97.84	40.65
Total Non-current Assets		**2,541.73**	**2,100.95**
Current Assets			
Inventories	8	1,560.09	1,165.94
Financial Assets			
Trade Receivables	9	847.24	1,030.34
Cash And Cash Equivalents	10(a)	294.53	150.06
Bank Balances Other Than Cash And Cash Equivalent As Above	10(b)	78.94	44.09
Loans	11	5.20	3.52
Other Financial Assets	12	29.46	13.25
Other Current Assets	13	340.19	204.76
Total Current Assets		**3,155.65**	**2,611.96**
Total Assets		**5,697.38**	**4,712.91**
Equity And Liabilities			
Equity			
Equity Share Capital	14(a)	325.90	247.17
Other Equity	14(b)	2,688.58	(848.98)
Equity attributable to owners of the company		**3,014.48**	**(601.81)**
Non-controlling interests	15	-	2.27
Total Equity		**3,014.48**	**(599.54)**
Liabilities			
Non-current Liabilities			
Financial Liabilities			
Borrowings	16	206.63	2,048.25
Other Financial Liabilities	17	171.24	108.27
Provisions	18	71.76	62.74
Total Non-current Liabilities		**449.63**	**2,219.26**
Current Liabilities			
Financial Liabilities			
Borrowings	19	297.97	1,220.55
Lease Liabilities	35	-	2.49
Trade Payables	20		
(i) Total Outstanding Dues Of Micro Enterprises And Small Enterprises		59.46	46.61
(ii) Total Outstanding Dues Of Creditors Other Than Micro Enterprises And Small Enterprises		1,706.75	1,462.75
Other Financial Liabilities	21	89.67	291.96
Provisions	22	21.55	16.84
Other Current Liabilities	23	57.87	48.35
Current Tax Liabilities (net)	24	-	3.64
Total Current Liabilities		**2,233.27**	**3,093.19**
Total Liabilities		**2,682.90**	**5,312.45**
Total Equity And Liabilities		**5,697.38**	**4,712.91**

See accompanying notes forming part of the Consolidated Financial Statements

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

Jaideep S. Trasi
Partner

Place : Bengaluru
Date : May 25, 2021

For and on behalf of the Board of Directors

Rajendra Gandhi
Managing Director
DIN: 01646143

Rajiv Nitin Mehta
Chief Executive Officer and Whole Time Director
DIN: 00697109

Shashidhar SK
Chief Financial Officer & Company Secretary
Membership Number: FCS 7119

Place : Bengaluru
Date : May 25, 2021

Consolidated Statement of Profit And Loss

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

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Income			
Revenue from operations	25	8,589.57	6,698.61
Other income	26	15.47	30.53
Total income		**8,605.04**	**6,729.14**
Expenses			
Cost of materials consumed	27	4,424.23	3,232.38
Purchase of stock in trade	28	1,251.90	1,287.63
Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	(93.72)	(101.33)
Employee benefits expenses	30	806.17	820.11
Finance cost	31	188.29	209.01
Depreciation and amortization expenses	32	143.00	124.10
Other expenses	33	1,070.61	1,121.89
Total expenses		**7,790.48**	**6,693.79**
Profit before tax		**814.56**	**35.35**
Tax expense:	45		
Current tax		-	3.64
Deferred tax		-	-
Net tax expense		**-**	**3.64**
Profit for the year		**814.56**	**31.71**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit Plans - Gains / (losses) (net)		23.29	(2.56)
Income tax impact		-	-
Items that will not be reclassified to profit or loss (net of tax)		**23.29**	**(2.56)**
Items that will be reclassified to profit or loss			
Fair value changes on cash flow hedges		-	-
Income tax impact		-	-
Items that will be reclassified to profit or loss (net of tax)		**-**	**-**
Total other comprehensive income for the year		**23.29**	**(2.56)**
Total comprehensive income for the year (5+6)		**837.85**	**29.15**
Profit for the year attributable to:			
Owners of the Company		814.53	31.61
Non controlling interests		0.03	0.10
Total		**814.56**	**31.71**
Other comprehensive income for the year attributable to:			
Owners of the Company		23.29	(2.56)
Non controlling interests		-	-
Total		**23.29**	**(2.56)**
Total comprehensive income for the year attributable to:			
Owners of the Company		837.82	29.05
Non controlling interests		0.03	0.10
Total		**837.85**	**29.15**
Earnings per share			
Basic (in ₹) (Face value of ₹ 10 each)	38	26.70	1.05
Diluted (in ₹) (Face value of ₹ 10 each)	38	26.33	1.05

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Jaideep S. Trasi
Partner

Place : Bengaluru
Date : May 25, 2021

For and on behalf of the Board of Directors

Rajendra Gandhi
Managing Director
DIN: 01646143

Rajiv Nitin Mehta
Chief Executive Officer and Whole Time Director
DIN: 00697109

Shashidhar SK
Chief Financial Officer & Company Secretary
Membership Number: FCS 7119

Place : Bengaluru
Date : May 25, 2021

Consolidated Statement of Cashflows

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

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Cashflow from operating activities			
Profit before tax		**814.56**	**35.35**
Adjustments for :			
Depreciation and amortisation expense	32	143.00	124.10
Provision for doubtful trade and other receivables, loans and advances and bad debts written off (net)	33	40.53	40.30
Liability no longer required written back	26	(1.84)	(3.20)
Interest on deposit with bank	26	(4.77)	(2.81)
Profit on fair valuation of derivative instruments	26	(0.66)	(2.11)
Profit on sale of property, plant and equipments	26	(0.51)	(0.25)
Finance cost	31	181.03	181.30
Unrealised exchange difference on lease liabilities		-	(0.50)
Unrealised exchange difference on foreign currency transactions and translation (net)		(0.93)	10.79
Employees share option cost recorded on grants	30	12.63	8.61
Operating cash profit before changes in working capital		**1,183.04**	**391.58**
Changes in working capital			
Adjustment for (increase) / decrease in operating assets :			
Other financial assets		(13.08)	7.90
Inventories		(394.15)	(191.80)
Trade receivables		143.20	(172.42)
Other assets		(139.54)	(85.89)
Adjustment for increase / (decrease) in operating liabilities:			
Other financial liabilities		19.95	(7.24)
Trade payables		256.43	164.34
Other current liabilities		9.52	(5.57)
Provisions		37.02	15.88
Cash generated from operations		**1,102.39**	**116.78**
Net income taxes (paid) / refund received		(2.53)	39.00
Net cash generated from operating activities (A)		**1,099.86**	**155.78**
Cashflow from investing activities			
Capital expenditure on property, plant and equipments (including capital advance)		(633.64)	(260.79)
Proceeds from sale of property, plant and equipments		2.91	0.35
Interest received on bank deposits		1.64	2.41
Movement of margin money deposit with banks (net)	10(b)	(34.85)	(14.54)
Net cash used in investing activities (B)		**(663.94)**	**(272.57)**

Standalone Statement of Cashflows

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

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Cashflow from financing activities			-
Proceeds from long-term borrowings	16	247.10	183.98
Repayment of long-term borrowings	16	(332.33)	(236.86)
Proceeds from issues of shares	14	918.34	-
Proceeds / (repayment) from short-term borrowings (net)	16	(922.62)	215.86
Payment of lease liabilities		(2.49)	(6.95)
Finance costs (including interest towards lease liabilities)		(199.45)	(174.42)
Net cash used in financing activities (C)		**(291.45)**	**(18.39)**
Net Increase / (decrease) in cash & cash equivalents (A+B+C)		**144.47**	**(135.18)**
Cash and cash equivalents at beginning of the year	10(a)	150.06	285.24
Cash and cash equivalents at the end of the year*	**10(a)**	**294.53**	**150.06**
Reconciliation of cash and cash equivalents			
* Comprises:			
(a) Cash on hand	10(a)	0.59	0.63
(b) Balances with banks:			
in current accounts	10(a)	293.94	149.43
Total		**294.53**	**150.06**

See accompanying notes forming part of the Consolidated Financial Statements

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

Jaideep S. Trasi
Partner

Place : Bengaluru
Date : May 25, 2021

For and on behalf of the Board of Directors

Rajendra Gandhi
Managing Director
DIN: 01646143

Rajiv Nitin Mehta
Chief Executive Officer and Whole Time Director
DIN: 00697109

Shashidhar SK
Chief Financial Officer & Company Secretary
Membership Number: FCS 7119

Place : Bengaluru
Date : May 25, 2021

Consolidated Statement of Changes in Equity

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

Particulars	As at March 31, 2021	As at March 31, 2020
Equity share capital		
Opening balance	247.17	247.17
Changes in equity share capital during the year	-	-
Add: Allotment on exercise of vested stock options	1.27	-
Add: Fresh issue of equity shares pursuant to public issue	24.68	-
Add: Conversion of CCDs into equity shares	52.78	-
Closing balance	**325.90**	**247.17**

Other equity

Particulars	Reserves and Surplus			Attributable to the owners of the Company	Non Controlling Interest	Total Other Equity
	Retained earnings	Securities Premium	Share options outstanding account			
Balance as at April 01, 2019	**(1,967.55)**	**1,094.37**	**-**	**(873.18)**	**2.17**	**(871.01)**
Impact on adoption of Ind AS 116 (Refer Note 34)	(13.46)	-	-	(13.46)	-	(13.46)
Profit for the year	31.61	-	-	31.61	0.10	31.71
Remeasurement of defined benefit obligation - Loss#	(2.56)	-	-	(2.56)	-	(2.56)
Stock compensation cost for the period	-	-	8.61	8.61	-	8.61
Opening Balance as at April 01, 2020	**(1,951.96)**	**1,094.37**	**8.61**	**(848.98)**	**2.27**	**(846.71)**
Profit for the year	814.56	-	-	814.56	0.03	814.59
Settlement of non-controlling interest (refer note 46)	-	-	-	-	(2.30)	(2.30)
Securities Premium	-	2,737.82	-	2,737.82	-	2,737.82
Share issue expenses	-	(50.74)	-	(50.74)	-	(50.74)
Remeasurement of defined benefit obligation - Gain#	23.29	-	-	23.29	-	23.29
Allotment of shares on exercise of vested stock options		4.10	(4.10)	-	-	-
Stock compensation cost for the period	-	-	12.63	12.63	-	12.63
Closing Balance as at March 31, 2021	**(1,114.11)**	**3,785.55**	**17.14**	**2,688.58**	**-**	**2,688.58**

In accordance with Notification G.S.R 404(E) , dated 06 April 2016, remeasurement of defined benefit plans is recognised as a part of retained earnings.

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Jaideep S. Trasi
Partner

Place : Bengaluru
Date : May 25, 2021

For and on behalf of the Board of Directors

Rajendra Gandhi
Managing Director
DIN: 01646143

Rajiv Nitin Mehta
Chief Executive Officer and Whole Time Director
DIN: 00697109

Shashidhar SK
Chief Financial Officer & Company Secretary
Membership Number: FCS 7119

Place : Bengaluru
Date : May 25, 2021

Notes to Consolidated Financial Statements

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

1 CORPORATE INFORMATION

Stove Kraft Limited is a company domiciled in India, with its registered office situated at Bengaluru. It is engaged primarily in the business of manufacture of pressure cookers, LPG stoves, non-stick cookware, and trading of other kitchen and electrical appliances under the brand names "Pigeon" and "Gilma".

The Company changed its name from Stove Kraft Private Limited to Stove Kraft Limited on August 13, 2018

The Consolidated Financial Statements of the Company and its partnership firm considered as subsidiary (together known as the "Group") comprise of the Consolidated Balance Sheet, Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Cash Flows, Consolidated Statement of changes in equity and significant accounting policies and explanatory notes (collectively, the 'Consolidated Financial Statements').

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These Consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 and Companies (Indian Accounting Standards) (Amendment) Rules, 2017 and other relevant provisions of the Act as applicable

2.2 Basis of of preparation and presentation

The Consolidated Financial Statements have been prepared on the historical cost basis except for:

- certain financial assets and liabilities (including derivative instruments), plan assets of the defined benefit plan that are measured at fair values at the end of each reporting year;
- fixed assets of the Group which were fair valued as explained in note 3(a)

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

➢ Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

➢ Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

➢ Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Summary of significant accounting policies

(a) Revenue Recognition

i. Sale of goods

The Group has adopted IND AS 115, 'Revenue from Contracts with Customers'

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations.

Notes to Consolidated Financial Statements

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

The performance obligations in the contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates, loyalty benefits and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur."

ii. Export entitlement

Government incentives are accrued for based on fulfilment of eligibility criteria for availing the incentives and when there is no uncertainty in receiving the same.

iii. Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(b) Property, Plant and Equipment

Property, Plant and Equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of Property, Plant and Equipment comprises its purchase price, net of any trade discounts and rebates, any import duties, 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.

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

Depreciation on Property, Plant and Equipment 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 ₹ 5,000/- are depreciated in full in the year of purchase.

Asset	Useful life in years
Leasehold Improvements	3-5 years or over the lease period whichever is lower
Office Equipments	5 Years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting year, with the effect of any changes in estimate accounted for on a prospective basis.

(c) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis.

Notes to Consolidated Financial Statements

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

The useful lives of intangible assets that is considered for amortization of intangible assets are as follows:

Intangible Assets	Useful Life in Years
Technical Know How	5 years
Computer Software	6 years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

(d) Investments in associate

Investment in associate is measured at cost less impairment. Such partnership has been dissolved and registered the dissolution deed on September 22, 2020.

(e) Inventories

Inventories are valued at the lower of weighted average cost and the net realizable value. Cost includes purchase cost and all other charges in bringing the inventories to their present location and condition including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads.

Net realisable value is the estimated selling price in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale.

(f) Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

A. Financial Assets:

i. Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or where appropriate a shorter period, to the net carrying amount on initial recognition.

ii. Financial Assets at fair value through other comprehensive Income

Financial assets are measured at fair value through other comprehensive income ('FVTOCI') if these financial assets are held within business model whose objective is achieved by both collecting contractual cash flows on

Notes to Consolidated Financial Statements

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

specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

iii. Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss ('FVTPL') unless it is measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognised in the statement of profit and loss.

iv. Impairment of financial assets

In accordance with Ind AS 109 - Financial Instruments, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting year, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent year, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 months ECL.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

i. All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument;

ii. Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Group uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed.

Notes to Consolidated Financial Statements

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

ECL impairment loss allowance (or reversal) recognised during the year is recognised as income/expense in the statement of profit and loss. This amount is reflected under the head other expenses in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost, contractual revenue receivables:

ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

v. Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in statement of profit and loss if such gain or loss would have otherwise been recognised in statement of profit and loss on disposal of that financial asset.

vi. Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting year.

For foreign currency denominated financial assets that are measured at amortised cost and FVTPL, the exchange difference are recognised in statement of profit and loss.

B. Financial liabilities and equity instruments

i. Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

ii. Equity Instrument

An equity instrument is a contract that evidences residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments recognised by the Group are recognised at the proceeds received net off direct issue cost.

iii. Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

iv. Financial liabilities at FVTPL

Financial liability has been designated at FVTPL where it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL.

Notes to Consolidated Financial Statements

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

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the Statement of profit and loss.

v. Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting years. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter year, to the net carrying amount on initial recognition.

vi. Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting year, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in Statement of Profit and Loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting year. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the Statement of profit and loss.

vii. Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired.
The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in statement of profit and loss.

C. Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and cross currency interest rate swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting year. The resulting gain or loss is recognised in the Statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of profit and loss depends on the nature of the hedging relationship and the nature of the hedged item. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

D. Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Notes to Consolidated Financial Statements

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

E. Hedge Accounting

The Group designates certain hedging instruments as either fair value hedges or cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

i. Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in Statement of profit and loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in the statement of profit and loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting.

ii. Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in statement of profit and loss.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to statement of profit and loss in the years when the hedged item affects profit or loss, in the same line as the recognised hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity will be recognised in statement of profit and loss on such event.

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and at banks and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(h) Foreign Currency transactions and translations

The functional currency of the Group is Indian Rupee (₹).

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss in the year in which they arise.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date when the fair value was determined.

Notes to Consolidated Financial Statements

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

(i) Employee Benefits

Defined Contribution Plan

The Group's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are recognised as an expense when employees have rendered service entitling them to the contributions.

Defined Benefit Plan

For defined benefit plans in the form of gratuity (un-funded), the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting year. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the year in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the year of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the year to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

The Group presents the first two components of defined benefit costs in the statement of profit and loss in the line item "Employee benefit expenses. Curtailment gains and losses are accounted for as past service costs. The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

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 year in which the employee renders the related service.

Long-term employee benefits

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by the employees up to the reporting date.

(j) Borrowing Costs

Borrowing costs include:

(i) interest expense calculated using the effective interest rate method,

(ii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial year of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is

Notes to Consolidated Financial Statements

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

deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in Statement of profit and loss in the year in which they are incurred.

(k) Leases

The Group as a Lessee:

The Group, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 1, 2019.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (assets of less than ₹ 3,00,000 in value). The Group recognises the lease payments associated with these leases as an expense over the lease term.

In the comparative year, leases under which the Group assumes substantially all the risks and rewards of ownership were classified as finance leases. All other leases were classified as operating leases. Lease payments under operating leases are recognised as an expense on a straight line basis in the statement of profit and loss over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue."

(l) Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and the carry forward of unused tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that

Notes to Consolidated Financial Statements

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

affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting year, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

(m) Provisions and Contingent Liabilities

A provision is recognised when the Group 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 of the amount of obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent liabilities are not recognised but are disclosed in the Notes to the Financial Statements. Contingent assets are not recognised in the financial statements.

(n) Impairment of non-financial assets

At the end of each reporting year, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less

Notes to Consolidated Financial Statements

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

than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of profit and loss.

(o) Earnings per share

Basic earnings per share is computed by dividing statement of profit and loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented.

(p) Share issue expense

The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction.

(q) Share-based compensation

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 37.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting year, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting year, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in the statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

2.4 Use of estimates and management judgments

In application of the accounting policies, which are described in note 2.4, the management of the Group is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.
The estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years. In particular, information about significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

1. Useful life of property, plant and equipment and intangible assets

The useful life of the assets are determined 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.

Notes to Consolidated Financial Statements

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

2. **Impairment**

   An impairment loss is recognised for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected discounted future cash flows from each asset or cash-generating unit.

3. **Impairment of financial assets**

   The impairment assessment for financial assets are based on assumptions about risk of default and expected cash loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of the reporting year.

4. **Deferred tax**

   Deferred income tax liabilities are recognised for all taxable temporary differences. Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

5. **Fair value**

   Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

6. **Post-retirement benefit plans**

   The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions which include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at each financial year end on the government bonds.

7. **Provisions and contingencies**

   The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore vary from the figure estimated at end of each reporting year.

8. **Estimation of uncertainty relating to the global health pandemic from Covid-19**

   In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Group has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, Investments, Inventories, Receivables and other assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources on the expected future performance of the Group. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial information.

Notes to Consolidated Financial Statements

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

2.5 Standards issued but not yet effective

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition

i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting year presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and

ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual years beginning on or after April 1, 2019. The Group is currently assessing the impact on adoption of this standard on the Group's financial statements."

Amendment to Ind AS 12 – Income taxes :

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting years beginning on or after April 1, 2019.

The Group is currently evaluating the effect of the above on its financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the year after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual year beginning on or after 1 April 2019. The Group is currently evaluating the effect of this amendment on the financial statements.

Notes to Consolidated Financial Statements

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

3(A) PROPERTY, PLANT AND EQUIPMENT

Particulars	Land	Buildings	Plant and machinery	Furniture and fixtures	Lease hold improvements*	Computers	Office Equipments	Vehicles	Total
Gross block									
Opening Gross block as at April 01, 2019	**844.48**	**395.97**	**664.82**	**20.29**	**9.48**	**10.29**	**14.40**	**24.30**	**1,984.03**
Additions	-	31.50	212.09	0.58	-	1.62	2.19	5.34	253.32
Disposals	-	-	(0.82)	-	-	(0.86)	(0.08)	-	(1.76)
Gross block as at March 31, 2020	**844.48**	**427.47**	**876.09**	**20.87**	**9.48**	**11.05**	**16.51**	**29.64**	**2,235.59**
Opening Gross block as at April 01, 2020	**844.48**	**427.47**	**876.09**	**20.87**	**9.48**	**11.05**	**16.51**	**29.64**	**2,235.59**
Additions	-	11.75	335.79	3.56	-	13.75	0.73	8.70	374.28
Disposals	-	-	(4.73)	-	-	-	-	-	(4.73)
Gross block as at March 31, 2021	**844.48**	**439.22**	**1,207.15**	**24.43**	**9.48**	**24.80**	**17.24**	**38.34**	**2,605.14**
Accumulated depreciation									
Net carrying amount as at March 31, 2019	**844.96**	**376.72**	**522.42**	**13.91**	**4.66**	**2.31**	**6.11**	**18.44**	**1,789.53**
Accumulated Depreciation									
Opening accumulated depreciation	-	31.42	135.13	5.33	4.82	7.71	6.62	5.84	196.87
Depreciation expense for the year	-	16.51	81.73	3.30	1.63	1.55	3.25	3.52	111.49
Eliminated on disposal of assets	-	-	(0.80)	-	-	(0.86)	-	-	(1.66)
Accumulated depreciation as at March 31, 2020	**-**	**47.93**	**216.06**	**8.63**	**6.45**	**8.40**	**9.87**	**9.36**	**306.70**
Net carrying amount as at March 31, 2020	**844.48**	**379.54**	**660.03**	**12.24**	**3.03**	**2.65**	**6.64**	**20.28**	**1,928.89**
Accumulated depreciation									
Opening accumulated depreciation as at April 01, 2020	-	47.93	216.06	8.63	6.45	8.40	9.87	9.36	306.70
Depreciation expense	-	17.10	103.38	4.02	1.45	3.29	2.91	4.05	136.20
Eliminated on disposal of assets	-	-	(2.33)	-	-	-	-	-	(2.33)
Accumulated depreciation as at March 31, 2021	**-**	**65.03**	**317.11**	**12.65**	**7.90**	**11.69**	**12.78**	**13.41**	**440.57**
Net carrying amount as at March 31, 2021	**844.48**	**374.19**	**890.04**	**11.78**	**1.58**	**13.11**	**4.46**	**24.93**	**2,164.57**

* Leasehold improvements made in the premises which is taken on lease by the franchisee

Refer note 16 (i), (ii) (iii) and (iv) and note 19(i) for details of mortgage & hypothecation.

Notes to Consolidated Financial Statements

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

3(B) INTANGIBLE ASSETS

Particulars	Computer Software
Gross block	
Opening Gross block as at April 01, 2019	**10.00**
Additions	0.91
Disposals	-
Gross block as at March 31, 2020	**10.91**
Opening Gross block as at April 01, 2020	10.91
Additions	35.50
Disposals	-
Gross block as at March 31, 2021	**46.41**
Accumulated amortisation	
Opening accumulated amortization as at April 01, 2019	**5.29**
Amortization expense	2.67
Accumulated amortization as at March 31, 2020	**7.96**
Net carrying amount as at March 31, 2020	**2.95**
Opening accumulated amortization as at April 01, 2020	**7.96**
Amortization expense	6.79
Accumulated amortization as at March 31, 2021	**14.75**
Net carrying amount as at March 31, 2021	**31.66**

3(C) RIGHT-OF-USE ASSETS

Particulars	Technical know how
Balance as at April 01, 2019	-
Additions	35.69
Deletions	(25.75)
Amortisation (Refer Note 32)	9.94
Balance as at March 31, 2020	**-**
Additions	-
Deletions	-
Amortisation (Refer Note 32)	-
Balance as at March 31, 2021	**-**

4 INVESTMENTS

Particulars	As at March 31, 2021	As at March 31, 2020
In equity instruments of associate (Carried at cost)		
7,500 Equity shares of ₹ 10/- each fully paid up in Pigeon Appliances Private Limited (Refer Note (i) below)	-	-
Total	**-**	**-**

Note

(i) The Company had invested a sum of ₹ 0.08 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 FY 2014-15, 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 the Company. The Company had initiated legal action against PAPL for irregularities noted in the business operations and unauthorized use of trademarks. Based on management's best judgment, these investments in the equity share capital of PAPL had been impaired fully.

Notes to Consolidated Financial Statements

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

5 OTHER FINANCIAL ASSET (NON-CURRENT)

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured considered good unless otherwise stated)		
Security deposits		
Considered good	53.12	50.33
Considered doubtful	1.18	1.18
Less: Allowance for doubtful security deposits	(1.18)	(1.18)
Total	**53.12**	**50.33**

6 INCOME TAX ASSET (NET)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance income tax [net of provision of ₹ Nil]	3.57	2.46
Total	**3.57**	**2.46**

7 OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured considered good unless otherwise stated)		
Capital advances		
Considered good	80.19	22.41
Considered doubtful	0.91	0.91
Less: Allowance for doubtful advance	(0.91)	(0.91)
	80.19	**22.41**
Provident fund paid under protest	2.82	2.82
	2.82	**2.82**
Tax paid under protest	7.85	8.33
Considered doubtful	3.54	3.54
Less: Allowance for doubtful balances	(3.54)	(3.54)
	7.85	**8.33**
Balance with government authorities		
Considered good	3.42	2.96
Considered doubtful	11.81	11.81
Less: Allowance for doubtful balances	(11.81)	(11.81)
	3.42	**2.96**
Prepaid expense	3.56	4.13
Total	**97.84**	**40.65**

8 INVENTORIES

Particulars	As at March 31, 2021	As at March 31, 2020
Raw materials, components and packing materials	639.82	387.84
Raw material-in-transit	107.02	58.57
Work-in-progress	119.72	61.61
Finished goods (manufactured)	436.04	383.89
Stock-in-trade (acquired for trading)	216.63	219.12
Goods-in-transit (acquired for trading)	40.86	54.91
Total	**1,560.09**	**1,165.94**

Notes to Consolidated Financial Statements

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

9 TRADE RECEIVABLES

Particulars	As at March 31, 2021	As at March 31, 2020
Receivables considered good - secured	-	-
Receivables considered good - unsecured	786.87	1,128.72
Receivables which have significant increase in credit risk	186.13	-
Receivables - credit impaired	-	-
	973.00	**1,128.72**
Less: Allowance for doubtful receivables	(125.76)	(98.38)
Total	**847.24**	**1,030.34**

The average credit period on sale of goods ranges from 60 to 120 days.

Refer note 19(i) & (ii) for details of hypothecation.

Refer note 34.5 for credit risk

10(A) CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	0.59	0.63
Balances with banks:		
In current accounts	293.94	149.43
Total	**294.53**	**150.06**

10(B) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT AS ABOVE

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks:		
In earmarked accounts: balance held as margin money (Refer note (i) below)	78.94	44.09
Total	**78.94**	**44.09**

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 balance sheet date.

11 LOANS

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured considered good)		
Advance to employees	5.20	3.52
Total	**5.20**	**3.52**

Notes to Consolidated Financial Statements

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

12 OTHER FINANCIAL ASSETS (CURRENT)*

Particulars	As at March 31, 2021	As at March 31, 2020
(Unsecured considered good)		
Insurance Claim Receivable	-	4.00
Government Incentive Receivable	21.99	8.64
Interest accrued on deposit with banks	3.74	0.61
Advance paid towards purchase of investment (Refer note below)	3.73	-
Total	**29.46**	**13.25**

*Refer note19(i) for details of hypothecation.

Note:

Pursuant to board meeting dated July 27, 2020 and investment term sheet dated August 13, 2020 entered into between the Company and Megasun Solar Tech Private Limited, the Company has paid an amount of ₹ 3.73 Mn as advance towards an equity interest in Megasun Solar Tech Private Limited, pending conclusion of the relevant due diligence activities. Pending the conclusion of the same, the advance is treated as current and would be refundable in the event the deal does not go through.

13 OTHER CURRENT ASSETS*

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid expense (Refer note (i) below)	9.30	69.77
Advances to suppliers / service providers		
Considered good	167.91	55.12
Considered doubtful	2.01	8.79
Less: Allowance for doubtful advances	(2.01)	(8.79)
	167.91	**55.12**
Balance with government authorities	162.98	79.87
Total	**340.19**	**204.76**

*Refer note19(i) for details of hypothecation.

Note:

(i) : The Company completed its initial public offering and listed its shares on Bombay Stock Exchange and National Stock Exchange on February 05, 2021. The Company incurred share issues expenses of ₹ 218.35 Mn (₹ 58.87 Mn as at March 31, 2020) in connection with the public offer of equity shares. Of this, ₹ 50.74 Mn, representing Company's share of IPO expenses stands adjusted against securities premium to the extent permissible under section 52 of the Companies Act, 2013

Notes to Consolidated Financial Statements

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

14(A) EQUITY SHARE CAPITAL

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised		
4,00,00,005 Equity shares of ₹ 10/- each (As at March 31, 2020 : 3,99,99,995 Equity shares of ₹ 10/- each) (refer note below)	400.00	400.00
10 Class A Equity shares of ₹ 10/- each (As at March 31, 2020: 10 Class A Equity shares of ₹ 10/- each) were re-classified as 10 ordinary equity shares pursuant to a resolution of our Board of Directors dated January 8, 2021 and a special resolution passed by our Shareholders in their extraordinary general meeting dated January 9, 2021	-	-*
Total	**400.00**	**400.00**
Issued, subscribed and fully paid up capital		
3,25,89,613 Equity shares of ₹ 10/- each (As at March 31, 2020: 2,47,16,727 Equity shares of ₹ 10/- each)	325.90	247.17
NIL Class A Equity shares of ₹ 10/- each (As at March 31, 2020 : 10 Class A Equity shares of ₹ 10/- each)	-	-*
Total	**325.90**	**247.17**

* Not reported due to round off

Note:

Clause V of the MoA was amended to reflect the change in the authorized share capital of the Company from ₹40,00,00,050 divided into 3,99,99,995 Equity Shares of ₹ 10 each and 10 Class A Equity Shares of ₹ 10 each to ₹40,00,00,050 divided into 4,00,00,005 Equity Shares of ₹ 10 each

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

Particulars	Equity shares of ₹ 10/- each		Class A Equity shares of ₹ 10/- each	
	Number of Shares	₹	Number of Shares	₹
Opening balance as at April 01, 2020	**2,47,16,727**	**247.17**	**10**	**-***
Movement during the year				
Add: Conversion of CCDs into equity shares (Refer to below notes)	52,78,147	52.78		
Add: Reclassification of Class A Equity Shares	10	-*	(10)	-*
Add: Exercise of vested stock options	1,27,197	1.27	-	-
Add: Fresh issue of equity shares pursuant to public issue	24,67,532	24.68	-	-
Closing balance as at 31, 2021	**3,25,89,613**	**325.90**	**-**	**-**

* Not reported due to round off

(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.

Notes to Consolidated Financial Statements

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

Class A Equity share holders:

(1) 5 Class A Equity Shares, were allotted to SCI. Subsequently, these Class A Equity Shares have been reclassified to 5 ordinary Equity Shares pursuant to a resolution of our Board of Directors dated January 8, 2021 and a special resolution passed by our Shareholders in their extraordinary general meeting dated January 9, 2021

(2) 5 Class A Equity Shares, were allotted to SCI-GIH. Subsequently, these Class A Equity Shares have been reclassified to 5 ordinary Equity Shares pursuant to a resolution of our Board of Directors dated January 8, 2021 and a special resolution passed by our Shareholders in their extraordinary general meeting dated January 9, 2021

(iii) Conversion of CCDs:

Based on the conversion each dated January 8, 2021 provided each by SCI and SCI-GIH, in accordance with the terms of the CCDs, and after taking into account the adjustments as provided for in the Series A Investment Agreement and Series B Investment Agreement, each, as amended: (i) 26,10,898 Series A CCDs and 22,80,886 Series B CCDs held by SCI have been converted into 24,12,235 and 18,79,122 Equity Shares, respectively; and (ii) 11,97,770 Series B CCDs held by SCI-GIH have been converted to 9,86,790 Equity Shares. The Equity Shares resulting from the conversions have been allotted to SCI and SCI-GIH, as applicable, pursuant to a resolution of our Board of Directors dated January 8, 2021.

(iv) Exercise of Vested Stock Options:

1,27,197 Equity Shares allotted to 38 employees of our Company on exercise of the vested stock options held by them

(v) Fresh Issue of Equity Shares:

The Company made an Initial Public Offer (IPO) of 1,07,17,532 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ 385 per Equity Share (including share premium of ₹ 375 per equity share) aggregating to ₹ 4,126.25* Mn comprising of fresh issue of 24,67,532 equity shares aggregating to ₹ 950.00 and an Offer for Sale (OFS) of 82,50,000 Equity Shares comprising of 6,90,700 Equity Shares Mr. Rajendra Gandhi, Promoter, 59,300 Equity Shares Sunita Rajendra Gandhi, Promoter, 14,92,080 Equity Shares by Sequoia Capital India Growth and Investment Holdings ("SCI-GIH") AND 60,07,920 Equity Shares by SCI Growth Investments II ("SCI").

Particulars	Proceeds from OFS	Proceeds from Fresh Issue	Total
Equity Shares of face value of ₹ 10 each for cash at a price of ₹ 385 per Equity Share (including share premium of ₹ 375 per equity share)	3,176.25	950.00	4,126.25
Less: Share issue expenses	(167.61)	(50.74)	(218.35)
Net Proceeds	**3,008.64**	**899.26**	**3,907.90**
Utilisation:			
Repayments made to Other shareholders	(3,008.64)		(3,008.64)
Fund utilised for repayment of various borrowings		(899.26)	(899.26)
Closing balance of proceeds pending utilisation	**-**	**-**	**-**

There was no amounts of the proceeds remaining unutilised from the initial public offers as at March 31, 2021

Notes to Consolidated Financial Statements

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

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

Particulars	As at March 31, 2021	As at March 31, 2020
Equity share of ₹ 10/- each		
Rajendra Gandhi		
No. of shares	1,74,93,919	1,81,84,619
% of holding	53.75%	73.57%
SCI Growth Investments II		
No. of shares	32,45,047	49,61,605
% of holding	9.97%	20.07%
Sequoia Capital India Growth Investment Holdings I		
No. of shares	8,05,915	13,11,200
% of holding	2.48%	5.30%
Class A Equity share of ₹ 10/- each		
SCI Growth Investments Holdings I		
No. of shares	-	5
% of holding	0%	50%
SCI Growth Investments II		
No. of shares	-	5
% of holding	0%	50%

14(B) OTHER EQUITY

Particulars	As at March 31, 2021	As at March 31, 2020
Retained earnings	(1,114.11)	(1,951.96)
Securities Premium	3,785.55	1,094.37
Share options outstanding reserve	17.14	8.61
Total	**2,688.58**	**(848.98)**

Particulars	As at March 31, 2021	As at March 31, 2020
A) Retained earnings		
Opening balance	(1,951.96)	(1,967.55)
Add/(Less) : Profit for the year	814.56	31.61
Add/(Less) : Remeasurement gain/(loss) of defined benefit obligation recognised in other comprehensive Income	23.29	(2.56)
Add/(Less) : Impact on adoption of Ind AS 116	-	(13.46)
Closing balance [A]	**(1,114.11)**	**(1,951.96)**
B) Securities premium		
Opening balance	1,094.37	1,094.37
Add/(Less) : Movement during the year	2,741.92	-
Add/(Less) : Share issue expenses	(50.74)	-
Closing balance [B]	**3,785.55**	**1,094.37**

Notes to Consolidated Financial Statements

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

Particulars	As at March 31, 2021	As at March 31, 2020
C) Share options outstanding reserve		
Opening balance	8.61	-
Add : Amounts recorded on grants / vesting during the year (net)	12.63	8.61
Less : Movement due to share options exercised during the year	(4.10)	-
Closing balance [C]	**17.14**	**8.61**
Grand total [A+B+C]	**2,688.58**	**(848.98)**

(i) Retained Earnings

Retained earnings are the profits/(loss) that the Company has earned till date, less any transfers to other reserves and other distributions paid to its equity shareholders.

(ii) Securities premium

Securities premium is used to record the premium received on issue of shares.

(iii) Share options outstanding reserve

Share options outstanding reserve is used to record the expenses towards share based payment to employees recognised on straight line basis over the vesting period till date, less any transfer to other reserves.

15 NON-CONTROLLING INTERESTS

Particulars	Non-Controlling interest
Balance as at April 01, 2019	**2.17**
Changes in non-controlling interest during the year	
Add/(less) : Profit for the year	0.10
Balance as at March 31, 2020	**2.27**
Opening balance as at April 01, 2020	**2.27**
Changes in non-controlling interest during the year	
Add/(less) : Profit for the year	0.03
Add/(less) : Adjustment on account of dissolution of the partnership firm	(2.30)
Closing balance as at March 31, 2021	**-**

16 BORROWINGS (NON-CURRENT)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured (at amortized cost):		
Term loan from bank [Refer note 16(i) and (ii)]	191.82	162.32
Term loan from financial institutions [Refer note 16(iii)]	4.71	32.12
Vehicle loan [Refer note 16(iv)]	10.10	6.34
Unsecured (at fair value through Profit and (Loss)		
Compulsory Convertible Debentures (CCD) [Refer note 14(a)(iii)]	-	1,847.47
(As at March 31, 2020: 60,89,554 Compulsory Convertible Debentures (CCD) of ₹ 10/- each)		
Total	**206.63**	**2,048.25**

Notes to Consolidated Financial Statements

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

Notes :

Sl. No.	Particulars	Interest Rate	Installments outstanding as of March 31, 2021	As at March 31, 2021	As at March 31, 2020
	Term loans from Banks				
(i)	Guaranteed Emergency Credit Line (GECL) loan from HDFC Bank Ltd) of ₹ 196 Mn. Repayment : repayable in 48 monthly instalments, after 12 months moratorium. Security: Extension of second ranking charge over existing primary and collateral securities including mortgages created in favour of HDFC Bank for working capital facilities and personal guarantee of Mr. Rajendra Gandhi and Mrs. Sunita Rajendra Gandhi	3 months Repo Rate + 3% spread	48 installments	195.90	-
(ii)	Term loan from IDFC First Bank (IDFC) of ₹ 250 Mn was taken during the FY 2018-19. Repayment : Loan is repayable in 36 equal instalments, and commenced from April 2019. Security: Equitable mortgage of vacant industrial land of the company located at Harohalli, Ramanagara District and personal guarantee of Mr. Rajendra Gandhi, Mrs. Sunita Rajendra Gandhi and Ms. Neha Gandhi. During the year the said loan has been repaid in full, from the IPO proceeds and the formal closure and cancellation of charges are in progress.	12 month marginal cost of fund based lending rate (MCLR) + 2.25% spread which is subject to yearly reset	Nil	-	257.28
	TOTAL			**195.90**	**257.28**
	Less: Current portion (Refer Note 21)			(4.08)	(94.96)
	Net balance, Non-current			**191.82**	**162.32**

Sl. No.	Particulars	Interest Rate	Installments outstanding as of March 31, 2021	As at March 31, 2021	As at March 31, 2020
(iii)	**Term loan from financial institutions**				
	Equipment Finance facility from Tata Capital Financial Services Limited for ₹ 80 Mn with tenor of 48 months. The said loan was fully repaid in February 2021 Security: Exclusive charge on equipment's purchased out of TCFSL facility and irrevocable and unconditional personal guarantee of Mr. Rajendra Gandhi and Mrs. Sunita Rajendra Gandhi.	Floating interest rate @ 11.75% p.a	Nil	-	45.37

Notes to Consolidated Financial Statements

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

Sl. No.	Particulars	Interest Rate	Installments outstanding as of March 31, 2021	As at March 31, 2021	As at March 31, 2020
	Equipment Finance facility from Electronica Finance Limited for ₹ 21.40 Mn with tenor of 24 months. Security: Exclusive charge on equipment's purchased out of Electronica Finance facility and personal guarantee of Mr. Rajendra Gandhi and Mrs. Sunita Rajendra Gandhi.	12.25%	17 Installments	15.50	
	TOTAL			**15.50**	**45.37**
	Less: Current portion (Refer Note 20)			(10.79)	(13.25)
	Net Balance, non-current			**4.71**	**32.12**

(iv) The company had borrowed ₹ 10 Mn vehicle loan from BMW Financial Services. Rate of interest is 9.11% per annum which is repayable in 36 equal monthly instalments.

Security: Exclusive hypothecation on the vehicle.

The Company had borrowed ₹ 8 Mn towards vehicle loan from BMW Financial Services. Rate of interest is 8.51% per annum which is repayable in 60 equal monthly instalments.

Security: Exclusive hypothecation on the vehicle.

The Company had borrowed ₹ 3.99 Mn towards vehicle loan from HDFC Bank Ltd. Rate of interest is 8.8% per annum which is repayable in 60 equal monthly instalments.

Security: Exclusive hypothecation on the vehicle.

The Company, during the year, borrowed ₹ 5.95 Mn towards vehicle loan from HDFC Bank Ltd. Rate of interest is 8.20% per annum which is repayable in 48 equal monthly instalments.

Security: Exclusive hypothecation on the vehicle.

The Company, during the year, borrowed ₹ 3.09 Mn towards vehicle loan from HDFC Bank Ltd. Rate of interest is 8.20% per annum which is repayable in 48 equal monthly instalments.

Security: Exclusive hypothecation on the vehicle.

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes.

Particulars	As at April 1, 2019	Cash flows		Non cash Changes		As at March 31, 2020
		Proceeds	Repayments	Acquisition/ (Conversions)	Fair value change/ others#	
(a) Non Current Borrowings						
Borrowings from bank	357.80	103.98	(200.72)	-	-	261.06
Borrowings from other financial institution	6.40	80.00	(36.14)	-	-	50.26
Compulsory convertible debentures(CCD)	1,847.47	-	-	-	-	1,847.47
(b) Current Borrowings*	999.44	215.86	-	-	5.25	1,220.55
Total Borrowings	**3,211.11**	**399.84**	**(236.86)**	**-**	**5.25**	**3,379.34**

Notes to Consolidated Financial Statements

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

Particulars	As at March 31, 2020	Cash flows		Non cash Changes		As at March 31, 2021
		Proceeds	Repayments	Acquisition/ (Conversions)	Fair value change/ others #	
(a) Non Current Borrowings						
Borrowings from bank	261.06	204.95	(258.66)	-	-	207.35
Borrowings from other financial institution	50.26	42.15	(73.67)	-	-	18.74
Compulsory convertible debentures(CCD)	1,847.47	-	-	(1,847.47)	-	-
(b) Current Borrowings*	1,220.55	-	(922.62)	-	0.04	297.97
Total Borrowings	**3,379.34**	**247.10**	**(1,254.95)**	**(1,847.47)**	**0.04**	**524.06**

* current borrowings are disclosed based on net movement

includes adjustments due to amortised cost movements or exchange restatements

17 OTHER FINANCIAL LIABILITIES (NON-CURRENT)

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits received	171.24	108.27
Total	**171.24**	**108.27**

18 PROVISIONS (NON-CURRENT)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits:		
Compensated absence	9.25	6.79
Gratuity (Refer note 35)	43.46	44.91
Provision for warranties (Refer Note (i) below)	19.05	11.04
Total	**71.76**	**62.74**

(i) Note

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 year and previous years, the details of which are given below:

Particulars	As at March 31, 2021	As at March 31, 2020
Warranty Provision		
Opening balance	19.57	15.48
Add/(Less) : Additions during the year	13.87	15.44
Add/(Less) : Unwinding of interest on discounting of provision	0.20	-
Add/(Less) : Reversed / utilisation during the year	(0.91)	(11.35)
Closing balance	**32.73**	**19.57**
Of the above the amounts expected to be incurred within a year, classified as current	13.68	8.53
Non-current portion	**19.05**	**11.04**

The warranty expenditure is expected to be incurred over the warranty life of the products, as contracted, which varies from 6 months to 5 years

Notes to Consolidated Financial Statements

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

19 BORROWINGS (CURRENT)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured loans repayable on demand from banks (at amortised cost):		
From banks (Refer note (i) below)	297.97	1,098.60
From financial institutions (Refer note (ii) below)	-	121.95
Total	**297.97**	**1,220.55**

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 property, plant and equipment of the company along with equitable mortgage of immovable properties.

(ii) Security: Exclusive charge on the trade receivables which is discounted by the financial institution and also secured by personal guarantee of Mr. Rajendra Gandhi and Mrs. Sunita Rajendra Gandhi.

20 TRADE PAYABLES

Particulars	As at March 31, 2021	As at March 31, 2020
Other than Acceptances		
Total outstanding dues of micro enterprises and small enterprises (Refer note 39)	59.46	46.61
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,706.75	1,462.75
Total	**1,766.21**	**1,509.36**

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payables towards materials	1,157.86	900.62
Trade payables towards services	260.89	249.40
Trade payables towards accruals	347.46	359.34
Total	**1,766.21**	**1,509.36**

a) Trade payables are non-interest bearing and are normally settled between 60 to 150 days.

b) The company's exposure to currency and liquidity risk related to trade payable is disclosed in Note 34.

21 OTHER FINANCIAL LIABILITIES (CURRENT)

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of non-current borrowings		
Term loan from bank [Refer note 16(i) and (ii)]	4.08	94.96
Term loan from financial institutions [Refer note 16(iii)]	10.79	13.25
Vehicle loan [Refer note 16(iv)]	4.59	2.33
Security deposits received	7.74	50.76
Interest accrued but not due on borrowings	1.33	4.50
Derivative liabilities	-	0.66
Other payables:		
Payable on purchase of property, plant and equipment	61.14	110.25
Interest payable on security deposits	-	15.25
Total	**89.67**	**291.96**

Notes to Consolidated Financial Statements

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

22 PROVISIONS (CURRENT)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits:		
Gratuity (Refer note 35)	5.61	6.20
Compensated absence	2.26	2.11
Provision - others:		
For warranty (Refer note 18(i))	13.68	8.53
Total	**21.55**	**16.84**

23 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred revenue	-	16.68
Statutory remittances	32.50	17.40
Advance received from customers	25.37	14.27
Total	**57.87**	**48.35**

24 CURRENT TAX LIABILITIES (NET)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for income tax (net)	-	3.64
Total	**-**	**3.64**

25 REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of products	8,532.91	6,666.22
Other operating revenue:		
Sale of scrap	27.22	15.37
Duty drawback	29.44	17.02
Total	**8,589.57**	**6,698.61**

Refer Note 40 for disaggregated revenues from contracts with customers by geography.

Performance obligations and remaining performance obligations:

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting year and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts that have original expected duration of one year or lesser.

Notes to Consolidated Financial Statements

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

26 OTHER INCOME

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income (refer note (i) below)	5.07	14.08
Miscellaneous income	3.73	2.95
Liability no longer required, written back	1.84	3.20
Fair Value changes on derivative instruments	0.66	2.11
Income Tax refund amount	0.02	2.83
Excess Provision Reversed	3.64	5.11
Profit on sale of property, plant and equipment (net)	0.51	0.25
Total	**15.47**	**30.53**

Note(i) - Interest income comprises:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest from banks on deposits	4.77	2.81
Interest income on financial assets designated at amortized cost	0.30	0.20
Interest on income tax refund	-	11.07
Total	**5.07**	**14.08**

27 COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening stock	446.41	355.94
Add: Purchases	4,724.66	3,322.85
	5,171.07	**3,678.79**
Less: Closing stock	(746.84)	(446.41)
Total	**4,424.23**	**3,232.38**

28 PURCHASE OF STOCK-IN-TRADE

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Purchase of traded goods	1,251.90	1,287.63
Total	**1,251.90**	**1,287.63**

Notes to Consolidated Financial Statements

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

29 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories at the end of the year:		
Finished goods	436.04	383.89
Work-in-progress	119.72	61.61
Stock-in-trade	257.49	274.03
	813.25	**719.53**
Inventories at the beginning of the year:		
Finished goods	383.89	246.83
Work-in-progress	61.61	31.98
Stock-in-trade	274.03	339.39
	719.53	**618.20**
(Increase) / decrease	**(93.72)**	**(101.33)**

30 EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages	698.80	726.17
Contributions to provident fund (Refer note 35)	48.22	38.45
Gratuity expense (Refer note 35)	15.34	15.67
Share-based payments to employees (Refer note 37)	12.63	8.61
Staff welfare expenses	31.18	31.21
Total	**806.17**	**820.11**

31 FINANCE COSTS

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense on:		
Borrowings	148.03	144.93
Lease liabilities	-	0.56
Provision	1.18	-
Others	31.82	35.81
Other borrowing cost:		
Other processing charges (refer note (i) below)	7.26	27.71
Total	**188.29**	**209.01**

Note

(i) Bank charges incurred for standard services received from the bank, previously classified as finance cost, has now be reclassified under 'Other Expenses' in Note 33 as the same is not in the nature of finance costs.

Notes to Consolidated Financial Statements

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

32 DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on property, plant and equipment (Refer note 3(a))	136.11	111.49
Amortization of right-of-use assets (Refer note 3(c))	-	9.94
Amortization of intangible assets (Refer note 3(b))	6.89	2.67
Total	**143.00**	**124.10**

33 OTHER EXPENSES

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Job work charges	146.57	67.83
Power and fuel	89.76	69.88
Lease rentals	10.10	6.14
Repairs and maintenance		
Buildings	17.07	14.78
Plant and machinery	48.35	31.40
Others	4.58	3.22
Insurance	6.75	7.86
Rates and taxes	7.05	15.44
Communication	9.11	6.86
Travelling and conveyance	37.43	100.29
Printing and stationery	1.20	1.14
Freight and forwarding	289.17	240.70
Sales commission	97.47	90.70
Business promotion and advertisement expenses	184.83	316.26
Legal and professional fees	26.01	38.16
Payment to auditors comprises (net of Taxes)*		
For statutory audit	3.50	3.62
Out-of-pocket expense	0.06	1.11
Net loss on foreign currency transactions and translation	9.52	12.54
Provision for doubtful trade and other receivables, loans and advances (net) and balances written off	40.53	40.30
Provision for warranty (Refer note 18(i))	13.87	15.44
Royalty	11.23	10.04
Bank Charges**	4.14	-
Miscellaneous expenses	12.31	28.18
Total	**1,070.61**	**1,121.89**

*The amount excludes ₹ 5.65 Mn pertaining to payment to auditors towards fee for Initial Public Offer (Share issue expenses). Of this, Company's share of IPO expenses stands adjusted against securities premium to the extent permissible under section 52 of the Companies Act, 2013.

**Bank charges of ₹ 4.14 Mn (for the year ended March 31, 2020 ₹ 2.73 Mn) being in the nature of charges paid for services rendered by banks has been included in Other Expenses, previously classified as Finance Cost (Note 31)

"The provisions of section 135 of the Companies Act, 2013, with respect corporate social responsibility, is not applicable to the Company, as the Company does not satisfy any of the criteria specified in the said section"

Notes to Consolidated Financial Statements

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

34 FINANCIAL INSTRUMENTS

34.1 Capital management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt and total equity of the Company consists of net debt (borrowings as detailed in notes 16, 19 and Current maturities of non-current borrowings as detailed in note 21, offset by cash and bank balances) and total equity.

The Company reviews the capital structure on a semi-annual basis to ensure that it is in compliance with the required covenants.

Gearing ratio

The gearing ratio at end of the reporting year was as follows.

Particulars	As at March 31, 2021	As at March 31, 2020
Debt (i)	524.06	3,379.34
Less: Cash and bank balances	373.47	194.15
Net Debt(A)	**150.59**	**3,185.19**
Total Equity(B)	**3,014.48**	**(599.54)**
Net debt to equity ratio (A/B) (Refer note (ii) below)	**5%**	**-**

(i) Debt is defined as non-current borrowings, current maturities of non-current borrowings and current borrowings (borrowings as detailed in notes 16 and 19 and current maturities of non-current borrowings as detailed in note 21).

(ii) The net debt to equity ratio as at March 31, 2020 has not been computed as the accumulated losses have exceeded the paid up capital and other free reserves as at that date. The Company however, for the purpose of its internal reporting, considers the outstanding compulsorily convertible debentures ("CCD") as at March 31, 2020 of ₹ 1,847.47 to represent an element of equity, whereby the revised position of the net debt to equity ratio would be :

Particulars	As at March 31, 2020
Debt (Gross)	3,379.34
Less: Outstanding CCD	1,847.47
Less: Cash and bank balances	194.15
Revised Net Debt (A)	**1,337.72**
Total Equity	(599.54)
Add: Outstanding CCD	1,847.47
Revised Total Equity (B)	**1,247.93**
Net debt to equity ratio (A/B)	**1.07**

Notes to Consolidated Financial Statements

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

Categories of financial instruments:

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets		
Measured at amortised cost		
Trade receivables	847.24	1,030.34
Cash and bank balances	373.47	194.15
Loans	5.20	3.52
Other financial assets	82.58	63.38
Financial liabilities		
Measured at fair value through profit or loss (FVTPL)		
Borrowing	-	1,847.47
Derivative financial liability	-	0.66
Measured at amortised cost		
Borrowings (including current maturities of non current borrowings)	524.06	1,531.87
Trade Payables	1,766.21	1,509.36
Other financial liabilities	241.45	289.03

34.2 Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Fair value of the financial assets and financial liabilities that are measured at fair value on a recurring basis

Fair Valuation techniques and inputs used

Particulars	Fair value hierarchy	Basis of valuation	As at March 31, 2021	As at March 31, 2020
Financial liabilities				
Borrowings	Level - 3	Note 3	-	1,847.47
Derivative Instruments	Level - 2	Note 1	-	0.66

Note

1 The fair value of derivative contracts are determined using the market approach considering forward exchange rates at the balance sheet date.

2 Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting year) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

3 The fair value is determined at a present value which discounts the potential future cash flows.

The management considers that the carrying amount of financial assets and financial liabilities recognised in these financial statements at amortised cost approximate their fair values.

Notes to Consolidated Financial Statements

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

Reconciliation of Level 3 fair value measurements

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	1,847.47	1,847.47
Add: Movement during the year	(1,847.47)	-
Closing balance	**-**	**1,847.47**

The management considers that the carrying amount of financial assets and financial liabilities recognised in these financial statements at amortised cost approximate their fair values

Financial risk management objectives

The company's risk management is carried out by Treasury department under policies laid down by the management. The Company's activities expose it to market risk (which includes currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. Treasury department monitors the risk exposures on a periodical basis and reports to the Board of directors on the risks that it monitors and policies implemented to mitigate risk exposures.

The company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. The company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

34.3 Foreign currency risk management

The Company is exposed to foreign exchange risk due to:

a) exposure arising from transactions relating to purchase of goods including capital goods, revenues, expenses, etc., to be settled in foreign currencies.

Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts

34.3.1 Forward foreign exchange contracts

It is the policy of the company to enter into forward foreign exchange contracts to cover the risk associated with trade receivables and trade payables.

The following table details the forward foreign currency contracts outstanding at the end of the reporting year:

Contracts not designated as cash flow hedge

Particulars	Currency	As at March 31, 2021	As at March 31, 2020
Trade payables hedged with forward contracts with maturity less than 120 days	USD	-	0.12
	INR	-	8.81

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

The carrying amount of the company's foreign currency denominated monetary liabilities (Payables) and assets (Receivables) as at the end of the reporting year are as follows:

Particulars	Currency	As at March 31, 2021	As at March 31, 2020
Payables (including current borrowings)	USD	67.38	194.27
	EURO	-	30.91
	RMB	68.24	45.55
Trade receivables	**USD**	**97.21**	**69.60**

34.3.2 Foreign currency sensitivity analysis

The company is mainly exposed to the currency USD

Financial instruments affected by changes in foreign exchange rates include trade receivables, trade payables and current borrowings. The following table details the Company's sensitivity to a 5% increase and decrease in INR against the USD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The impact on account of 5% appreciation/depreciation in exchange rate of USD against INR is given below.

Particulars	Increase/(decrease) in equity	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Appreciation of USD	(1.49)	(6.23)
Depreciation of USD	1.49	6.23

The impact on equity has been arrived at by applying the effects of appreciation / deprecation effects of currency on the net position (Assets in foreign currency - Liabilities in foreign currency) in the respective currencies.

For the purposes of the above table, it is assumed that the carrying value of the financial assets and liabilities as at the end of the respective financial years remains constant thereafter. The exchange rate considered for the sensitivity analysis is the exchange rate prevalent as at each year end.

The sensitivity analysis might not be representative of inherent foreign exchange risk due to the fact that the foreign exposure at the end of the reporting year might not reflect the exposure during the year.

34.4 Interest rate risk

The company has also taken an INR loan at variable interest rate, interest being index linked, that is their cost is linked to changes in the Marginal Cost of fund based lending rate (MCLR).

Notes to Consolidated Financial Statements

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

The company is not subject to any other material interest rate risk.

At the reporting date the interest rate profile of the company's interest-bearing financial instruments is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed-rate instruments		
Financial assets		
Balance held as margin money	78.94	44.09
Fixed Deposit held as cash and cash equivalent	-	-
Financial liabilities		
Borrowings from bank and other financial institution	14.69	8.67
Security deposit received	178.98	159.03
	272.61	**211.79**
Variable-rate instruments		
Financial liabilities		
Borrowings from bank and other financial institution	509.37	1,523.20
	509.37	**1,523.20**

Interest rate sensitivity analysis

A change of 100 basis points (bps) in interest rate at the reporting date would have increased / (decreased) equity by the amount shown below. This analysis assumes that all other variables remain constant.

Particulars	Increase/(decrease) in equity	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Increase of 100 bps on variable rate instruments	(10.46)	(11.22)
Decrease of 100 bps on variable rate instruments	10.46	11.22

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is the local interbank rate in the currency of the loan. The Company will settle the difference between the fixed and floating interest rate on a net basis..

The line-item in the balance sheet that includes the above instrument is "Other financial assets"

34.5 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated. The company does not hold any collaterals to cover its risk associated with trade receivables.

Credit risk also arises from cash and cash equivalents, financial instruments and deposits with banks and financial institutions.

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

The credit risk on derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Reconciliation of expected credit loss - Trade receivables

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening Provision	98.38	77.26
Add : Additional Provision	40.39	21.12
Less : Reversed on account of written off during the year	(13.01)	-
Closing Provision	**125.76**	**98.38**

Particulars	As at March 31, 2021	As at March 31, 2020
Outstanding for more than 6 months	198.81	62.95
Others	648.43	967.39
Total	**847.24**	**1,030.34**

Reconciliation of loss allowance provision for security deposits

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Provision	1.18	1.18
Add / (Less) : Change in Provision	-	-
Closing Provision	**1.18**	**1.18**

Liquidity risk

Liquidity risk is the risk that the company could be unable to meet its short term financial demands. Ultimate responsibility for liquidity risk management rests with the management, which has established an appropriate liquidity risk management framework for the management of the company's short-term, medium-term and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual short term and long term cash flows, and by matching the maturity profiles of financial assets and liabilities.

Liquidity analysis for non derivative financial liabilities

The following table details the company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment years. The table have been drawn up based on the undiscounted principal cash flows of financial liabilities based on the earliest date on which the company is required to pay. The contractual maturity is based on the earliest date on which the company would be required to pay.

As at March 31, 2021

Particulars	Due within			Total
	1 year	1-3 years	> 3 years	
Borrowings	317.43	161.74	44.89	**524.06**
Trade payables	1,766.21	-	-	**1,766.21**
Other financial liabilities	149.63	243.00	-	**392.63**

The interest rate for borrowings with variable interest rate is in the range of 7.1% to 8.25%. The interest rate for borrowings with fixed interest rate is 12.25%. Interest rate for security deposit classified as other financial liabilities is 9%.

Notes to Consolidated Financial Statements

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

As at March 31, 2020

Particulars	Due within			Total
	1 year	1-3 years	> 3 years	
Borrowings	3,178.56	179.24	21.54	**3,379.34**
Trade payables	1,509.36	-	-	**1,509.36**
Other financial liabilities	180.76	108.27	-	**289.03**

The interest rate for borrowings with variable interest rate is in the range of 10.5 % to 12.5%. The interest rate for borrowings with fixed interest rate is 12.25%. Interest rate for security deposit classified as other financial liabilities is 9%.

34.6 Financing Facilities

Particulars	As at March 31, 2021	As at March 31, 2020
Secured term loan facilities		
- amount used	195.90	257.28
- amount unused	-	-
Secured cash credit facilities		
- amount used	280.00	1,220.55
- amount unused	274.32	119.65
Secured non-fund based bank facilities		
- amount used	384.76	114.00
- amount unused	-	49.60

35 EMPLOYEE BENEFIT

Defined contribution plans

The company makes Provident fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the said schemes, the company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the company are at rates specified in the rules of the Scheme. The company recognises the amount paid / payable to such funds in the Consolidated statement of profit and loss. The contributions made by the company towards these schemes are as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Employer's contribution to provident fund (included as Contributions to provident fund, in Note 28)	48.22	38.45
Employee state insurance scheme (included as Staff welfare expenses, in Note 28)	9.62	10.10

Notes to Consolidated Financial Statements

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

Defined benefit plans

The Company offers gratuity, a defined employee benefit scheme to its employees. Following are the risks associated with the plan:

A. Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Salary growth: Salary hikes that are higher than the assumed salary escalation will result in to an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption there the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit , the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the Company there can be strain on the cash flows.

C. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate.
The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits and vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

D. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

No other post-retirement benefits are provided to these employees.

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Following tables sets out the un-funded status of defined benefit plan and amount recognised in Consolidated financial statement.

1 Assumptions

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Discount rate	6.73%	6.56%
Salary escalation	6.00%	6.00%
Attrition rate	25.00%	25.00%

Notes to Consolidated Financial Statements

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

2 Change in present value of obligation

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of obligation as at the beginning of the year	51.12	39.18
Interest cost	3.40	2.50
Current service cost	11.94	13.17
Past service cost	-	-
Benefits paid	(1.24)	(3.81)
Actuarial (gain)/loss of obligations	(16.15)	0.08
Present Value of Obligation as at the end of the year	**49.07**	**51.12**

3 Fair value of plan assets

Particulars	As at March 31, 2021	As at March 31, 2020
Fair value of plan assets at beginning of the year	-	-
Expected return of plan assets	-	-
Contributions	-	-
Benefit paid	-	-
Actuarial gain / (loss) on plan assets	-	-
Fair value of plan assets at end of the year	**-**	**-**

4 Amounts recognized in Balance sheet

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of obligations as at the end of the year	49.07	51.12
Fair value of plan assets as at the end of the year	-	-
Funded status	(49.07)	(51.12)
Net balance sheet asset/ (liability) recognized at the end of the year	**(49.07)**	**(51.12)**
Current portion	5.61	6.21
Non-current portion	43.46	44.91

5 Expenses Recognized in statement of profit and loss

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current service cost	11.94	13.17
Interest cost	3.40	2.50
Past service cost	-	-
Expected Return on Plan Assets	-	-
Amortization of Actuarial (Gain)/Loss	-	-
Expenses recognized in statement of profit and loss	**15.34**	**15.67**

Notes to Consolidated Financial Statements

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

6 Components of defined benefit costs recognised in Other Comprehensive Income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	(0.52)	2.30
Actuarial (gains) / losses arising from experience adjustments	(15.63)	(2.22)
Actuarial (gains) / losses in Other Comprehensive Income	**(16.15)**	**0.08**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Effect on DBO due to 100 bps increase in discount rate	46.19	48.13
Effect on DBO due to 100 bps decrease in discount rate	52.29	54.46

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Effect on DBO due to 100 bps increase in salary escalation rate	51.98	54.12
Effect on DBO due to 100 bps decrease in salary escalation rate	46.39	48.34

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Effect on DBO due to 100 bps increase in attrition rate	49.39	50.80
Effect on DBO due to 100 bps decrease in attrition rate	49.06	51.44

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting year, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years. There has been no change in the process used by the Company to manage its risks from prior years.

7 Expected future cash outflows (undiscounted) towards the plan are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Year 1	5.87	6.50
Year 2	7.00	4.84
Year 3	3.70	6.47
Year 4	3.94	3.45
Year 5	5.16	3.45
Year 6 to 10	13.35	17.11

Notes to Consolidated Financial Statements

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

36 LEASES

Particulars	As at March 31, 2021	As at March 31, 2020
Current lease liability	-	2.49
Non Current lease liability	-	-
Total	**-**	**2.49**

Operating lease

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance as at April 01, 2020	2.49	-
Additions	-	35.69
Deletions	(2.49)	(25.75)
Finance cost accrued during the year	-	0.56
Payment of lease liabilities	-	(9.34)
Translation difference (net)	-	1.33
Balance as at March 31, 2021	**-**	**2.49**

Details Regarding The Contractual Maturities Of Lease Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Less than one year	-	2.49
One to five years	-	-
More than five years	-	-
Total	**-**	**2.49**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

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 statement of profit and loss for the year ended March 31, 2021 against such lease arrangements is ₹ 10.10 Mn (₹ 6.14 Mn for the year ended March 31, 2020).

37 SHARE-BASED PAYMENT ARRANGEMENTS

A. Description of share-based payment arrangements

Share option programmes (equity-settled)

The Company has share option scheme “Stove Kraft Employee Stock Option Plan 2018”, for employees of the Company. In accordance with the terms of the plan the Company may grant options to the eligible employees, as approved by the shareholders of the Company and the Nomination and Remuneration Committee (the “Committee”). Each employee share option converts into one equity share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The option carry neither a right to dividends nor voting rights.

Employees Stock Option Plan 2018

Options would vest essentially on passage of time and in addition to this, the committee may also specify certain performance criteria subject to satisfaction of which the option would vest.

Notes to Consolidated Financial Statements

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

Grant Date	No. of Options	Vesting conditions	Contractual life of the options vesting period
October 1, 2018	7,55,328	The options granted would normally vest over a maximum period of 5 years from the date of the grant in proportions specified in 'Stove Kraft Employee Stock Option Plan 2018' scheme.	5 years
January 03, 2020	30,081	100% options granted vested over a period of 1 year from the date of the grant as per 'Stove Kraft Employee Stock Option Plan 2018' scheme.	1 year
October 10, 2020	2,10,564	The options granted would normally vest over a maximum period of 4 years from the date of the grant in proportions specified in 'Stove Kraft Employee Stock Option Plan 2018' scheme.	4 years

B. Measurement of fair value

Fair value of share options granted :

The weighted average fair value of the share options granted is ₹ 69. The fair value of the employee share options has been measured using the Black-Scholes formula. Service and non-market performance conditions attached to the arrangements were not taken into account in measuring fair value.

The requirement that the employee has to save in order to purchase shares under the share purchase plan has been incorporated into the fair value at grant date by applying a discount to the valuation obtained. The discount has been determined by estimating the probability that the employee will stop saving based on historical behaviour.

Inputs into the model	Option granted under 'Stove Kraft Employee Stock Option Plan 2018'		
Grant date	October 10, 2020	January 03, 2020	October 01, 2018
Grant date share price	274.80	155.00	99.25
Exercise price	150.00	150.00	150.00
Expected volatility	53.35%	41.20%	21.41%
Option life	4 years	1 year	5 years
Dividend yield	-	-	-
Risk-free interest rate	6.45%	6.05%	7.52%

C. Reconciliation of outstanding share options

The number and weighted average exercise prices of share options under the share option programmes were as follows:

Employees stock option plan:	As at March 31, 2021		As at March 31, 2020	
Particulars	Number of options	Weighted average exercise price (in ₹)	Number of options	Weighted average exercise price (in ₹)
Option outstanding at the beginning of the year	6,18,353	150	7,55,328	150
Granted during the year	2,70,725	150	30,081	150
Exercised during the year	1,27,197	150	1,67,056	150
Forfeited/Expired during the year	1,45,465	150	-	-
Options outstanding at the end of the year	6,16,416	150	6,18,353	150
Exercisable at the end of the year	1,50,591	150	-	-

The share option outstanding at the end of the reporting year had a weighted average exercise price of ₹ 150 and weighted average remaining contractual life of 2.52 years.

Notes to Consolidated Financial Statements

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

38 EARNINGS PER SHARE

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Basic		
Net profit/(loss) after tax attributable to the equity shareholders (₹ in Mn) (A)	814.56	31.71
Weighted average no. of equity shares outstanding (B)	3,05,07,422	3,01,22,081
Face value per share (₹)	10.00	10.00
Basic earnings per share (A/B) (₹)	**26.70**	**1.05**
Diluted		
Net profit/(loss) after tax attributable to the equity shareholders (₹ in Mn) (C)	814.56	31.71
Weighted average no. of equity shares outstanding (D)	3,05,07,422	3,01,22,081
Add: Effect of dilutive common equivalent shares – share options outstanding	4,23,786	-
Weighted average number of equity outstanding for Diluted EPS	**3,09,31,208**	**3,01,22,081**
Face value per share (₹)	10.00	10.00
Diluted earnings per share (C/D) (₹)	**26.33**	**1.05**

39 DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Particulars	As at March 31, 2021	As at March 31, 2020
(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;	53.70	37.70
(ii) interest due thereon remaining unpaid to any supplier as at the end of the accounting year	3.00	4.34
(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 year 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;	2.76	4.57
(v) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	5.76	8.91
(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.	0.52	1.25

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.

Notes to Consolidated Financial Statements

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

40 SEGMENT REPORTING

The Company's operates under one segment of Kitchen and Home Appliances. Hence, segment reporting is not applicable.

Geographical information:

The Company predominantly operates in India.

a. Revenue earned within India and outside India are as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
India	7,686.72	6,154.27
Others	846.19	511.95
Total	**8,532.91**	**6,666.22**

b. Non-current* assets with in India and outside India are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
India	2,485.04	2,048.16
Others	-	-
Total	**2,485.04**	**2,048.16**

*Non-current assets exclude financial assets and non-current tax assets

c. Revenue from major customers

Revenue from customers who individually represented more than 10% of the Company's total revenue, consisted of one customer from whom 22.96% of company's total revenue was earned (March 31, 2020 consisted of one customer representing 15.69% of total revenue).

41 RELATED PARTY TRANSACTIONS

A. List of related parties:

Sl. No.	Name of the related party	Nature of relationship
1	Key managerial personnel (KMP):	
	Mr. Lakshmikant Gupta (From May 11, 2018)	Chairman of the Board
	Mr. Rajendra Gandhi	Managing Director (MD)
	Mrs. Shubha Rao Mayya (From August 30, 2018)	Independent Director
	Mr. Rajiv Nitin Mehta (From September 03, 2019)	Chief Executive Officer and Whole Time Director
	Mr. Rajiv Nitin Mehta (From May 11, 2018 to September 02, 2019)	Independent Director
	Mr. Bharat Singh (From September 21, 2018)	Nominee Director
	Ms. Neha Gandhi	Relative of MD and Director
	Mr. Shashidhar SK (From July 27, 2018)	Company Secretary and Chief Financial Officer
2	Enterprises owned or significantly influenced by KMP or their relatives:	
	Shinag Allied Enterprises Private Limited (SAEPL)	MD's brother's wife is a Director
	Pigeon Appliances Private Limited (PAPL)	Company is shareholder and MD is director
3	Relative of KMP	
	Mrs. Sunita Rajendra Gandhi	Relative of MD

Note: Related parties mentioned above is as identified by the Company relied upon by the auditors.

Notes to Consolidated Financial Statements

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

B. Transactions with related parties

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations		
SAEPL	0.16	0.05
Purchases		
SAEPL	0.71	-
Job Work		
SAEPL	1.37	-
Rent including lease rentals		
Mrs. Sunita Rajendra Gandhi	0.36	0.72
Managerial remuneration:		
Mr. Rajendra Gandhi	8.71	10.11
Mr. Shashidhar SK	6.63	7.82
Mr. Rajiv Nitin Mehta	19.63	7.33
Ms. Neha Gandhi	2.02	2.31
Sitting Fee paid to		
Mrs. Shubha Rao Mayya	0.90	0.80
Mr. Lakshmikant Gupta	0.90	0.65
Mr. Rajiv Nitin Mehta	-	0.20
ESOP		
Mr. Rajiv Nitin Mehta	13.24	-
Mr. Shashidhar SK	0.44	0.51

C. Balances with related parties

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payable (including payble for Property, Plant and Equipments)		
PAPL	0.29	0.29
SAEPL	2.93	2.68
Trade receivables (including advances given)		
SAEPL	3.42	3.42
Receivables		
Mr. Rajendra Gandhi	4.99	3.14
Remuneration payable		
Mr. Rajendra Gandhi	0.77	1.25
Ms. Neha Gandhi	0.18	0.33
Mr. Shashidhar SK	0.62	1.15
Mr. Rajiv Nitin Mehta	0.93	1.11

D. The remuneration of Directors and other members of Key Management Personnel during the year was as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Short-term benefits	36.74	26.37
ESOP	13.68	0.51
Post-employment benefits (Refer note (i) below)	1.06	1.20
Total	**51.48**	**28.08**

Note (i) Post - employment benefits excludes gratuity which cannot be separately identified from the composite amount advised by the actuary.

Notes to Consolidated Financial Statements

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

42 CONTINGENT LIABILITIES AND COMMITMENT

Particulars	As at March 31, 2021	As at March 31, 2020
Contingent liabilities		
Indirect tax matters under appeal	58.29	62.92
Other disputed claims	2.68	2.68
Provident fund claims	9.39	9.39
Commitment		
Estimated amount of contracts remaining to be executed on capital account and not provided for tangible assets (net of advances)	347.13	44.22

43 Mr. Rajendra Gandhi, Managing Director of the Company, is also a Non-Executive Director on the Board of Pigeon Appliances Private Limited (referred as PAPL). As a result of certain disputes, which have arisen between PAPL and the Company, PAPL has not filed its annual 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 annual 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 the Company.

44 The company has a net deferred tax asset with respect to certain timing differences. The timing differences mainly relates to carried forward business losses, unabsorbed depreciation and current year depreciation, other than other disallowances arising from provisions and IndAS adjustments. These have not been recognised as the recognition criteria have not been met in accordance with the accounting policies followed by the company.

As at March 31, 2021 the company has not recognized the net deferred tax asset as there is no more probable than not certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in the near future.

45 CONSOLIDATED STATEMENT OF TAX SUMMARY

(i) Income tax recognised in the statement of profit and loss

Particulars	As at March 31, 2021	As at March 31, 2020
Current tax		
In respect of current year	-	3.64
In respect of prior years	-	-
Total (A)	**-**	**3.64**
Deferred tax expense		
Origination and reversal of temporary differences	-	-
Total (B)	**-**	**-**
Total income tax expense recognised in the statement of profit and loss (A+B)	**-**	**3.64**

Notes to Consolidated Financial Statements

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

(ii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

Particulars	As at March 31, 2021	As at March 31, 2020
Profit before tax	814.56	35.35
Company's domestic tax rate	25.17%	34.94%
Tax using the Company's domestic tax rate (Refer Note (a) below)	205.01	12.35
Tax effect of:		
Unused tax losses not recognised as deferred tax assets	(205.01)	(8.71)
Adjustments recognised in the current year in relation to current tax of prior years	-	-
Income tax recognised in the statement of profit and loss	**-**	**3.64**

Note:

(a) The tax rate used in the reconciliations above is the corporate tax rate payable by corporate entities in India on taxable profits under the Indian tax law. The actual tax expense for the year ended March 31, 2021 is zero considering the unabsorbed tax losses and depreciation.

(iii) Movement in deferred tax balances

Particulars	For the Year ended March 31, 2021					
	Net balance April 1, 2020	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)						
Property, plant and equipment	(383.90)	104.16	-	(279.74)	-	-
Employee benefits	20.97	(5.72)	-	15.25	-	-
Provision for doubtful debts	34.37	(2.72)	-	31.65	-	-
Other items	6.84	1.40	-	8.24	-	-
Deferred tax assets/ (liabilities)	**(321.72)**	**97.12**	**-**	**(224.60)**	**-**	**-**
Set off tax losses/ Deferred tax assets not recognised	321.72	(97.12)	-	224.60	-	-
Net deferred tax assets (Liabilities)	**-**	**-**	**-**	**-**	**-**	**-**

Particulars	For the year ended March 31, 2020					
	Net balance April 1, 2019	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred tax assets/ (liabilities)						
Property, plant and equipment	(379.60)	(4.30)	-	(383.90)	-	-
Employee benefits	15.71	5.26	-	20.97	-	-
Provision for doubtful debts	26.99	7.38	-	34.37	-	-
Other items	5.66	1.18	-	6.84	-	-
Deferred tax assets/ (liabilities)	**(331.24)**	**9.52**	**-**	**(321.72)**	**-**	**-**
Set off tax losses/ Deferred tax assets not recognised	331.24	(9.52)	-	321.72	-	-
Net deferred tax assets (Liabilities)	**-**	**-**	**-**	**-**	**-**	**-**

Notes to Consolidated Financial Statements

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

iv) Unrecognized timing differences and tax losses and tax depreciation

Particulars	As at March 31, 2021	As at March 31, 2020
Difference between book value and tax base of Property, plant and equipment	(1,111.51)	(1,098.73)
Disallowance relating to employee benefits	60.58	60.01
Provision for doubtful debts	125.76	98.38
Others	32.73	19.57
Unabsorbed depreciation and tax losses	1,229.38	1,546.02
Net unrecognized timing differences	**336.94**	**625.25**
Tax impact	**84.80**	**218.46**

(v) The Company has a net deferred tax asset with respect to certain timing differences. These timing difference mainly relates to carried forward business losses, unabsorbed depreciation and the Company has not recognised deferred tax asset on these timing differences in the absence of being able to reasonable estimate the extent of future taxable profits against which to utilise these assets. (Refer note 44).

(vi) No deferred tax adjustments were required in respect of amounts recognised in Other Comprehensive Income in view of the nature of items included therein and the availability of unabsorbed tax losses (including tax depreciation)

(vii) No Deferred tax adjustments were considered necessary to be recognised in respect of timing differences associated with investments in partnership firms.

46 INTEREST IN OTHER ENTITIES

Disclosure of interest in partnership firms

Name of the partnership firm	Principal activity	Place of incorporation and place of operation	Proportion of ownership interest and voting power held by the Company	
			As at March 31, 2021	As at March 31, 2020
Stovekraft India*	Manufacturing and selling of kitchen appliances	India	-	99%

*During the year ended March 31, 2021, Stovekraft India (Partnership firm) with 99% ownership held by Stove Kraft Limited got dissolved on September 22, 2020.

47 ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013

Particulars	As at March 31, 2021		As at March 31, 2020	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent - Stove Kraft Limited	100.00%	3,026.82	100.00%	(586.75)
Partnership firm - Stovekraft India	0.00%	-	0.00%	6.45
		3,026.82		**(580.30)**
Adjustment arising out of consolidation and other adjustments		(12.34)		(19.24)
Total		**3,014.48**		**(599.54)**

Notes to Consolidated Financial Statements

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

Particulars	For the Year Ended March 31, 2021					
	As % of consolidated statement of profit and loss	Amount	As % of consolidated Share in other Comprehensive Income	Amount	As % of consolidated Share in Total Comprehensive Income	Amount
Parent - Stove Kraft Limited	99.65%	811.84	100.00%	23.29	99.66%	835.13
Partnership firm - Stovekraft India	0.35%	2.85	0.00%	-	0.34%	2.85
	100.00%	**814.69**	**100.00%**	**23.29**	**100.00%**	**837.98**
Adjustment for arising out of consolidation		(0.16)		-		(0.16)
Share of profit attributed to Non-controlling interest		0.03		-		0.03
Total		**814.56**		**23.29**		**837.85**

Particulars	For the Year Ended March 31, 2020					
	As % of consolidated statement of profit and loss	Amount	As % of consolidated Share in other Comprehensive Income	Amount	As % of consolidated Share in Total Comprehensive Income	Amount
Parent - Stove Kraft Limited	74.12%	28.41	100.00%	(2.56)	72.27%	25.85
Partnership firm - Stovekraft India	25.88%	9.92	0.00%	-	27.73%	9.92
	100.00%	**38.33**	**100.00%**	**(2.56)**	**100.00%**	**35.77**
Adjustment for arising out of consolidation		(6.72)		-		(6.72)
Share of profit attributed to Non-controlling interest		0.10		-		0.10
Total		**31.71**		**(2.56)**		**29.15**

48 The Board of Directors duly taking into account all the relevant disclosures made, has approved these financial statements in its meeting held on May 25, 2021

For **Deloitte Haskins & Sells**
Chartered Accountants

Jaideep S. Trasi
Partner

Place : Bengaluru
Date : May 25, 2021

For and on behalf of the Board of Directors

Rajendra Gandhi
Managing Director
DIN: 01646143

Rajiv Nitin Mehta
Chief Executive Officer and Whole Time Director
DIN: 00697109

Shashidhar SK
Chief Financial Officer & Company Secretary
Membership Number: FCS 7119

Place : Bengaluru
Date : May 25, 2021

STOVE KRAFT LIMITED

Registered Office: #81/1, Medamarana Halli Village, Harohalli Hobli, Kanakapura Taluk, Ramanagar District, Karnataka, 562112, CIN: U29301KA1999PLC025387, Phone No.: +91 80-28016222
E-mail: cs@stovekraft.com Website: www.stovekraft.com

NOTICE OF THE 22ND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 22nd Annual General Meeting (the "Meeting" or "AGM") of Stove Kraft Limited (the "Company") will be held on Tuesday, August 31, 2021 at 11:00 A.M. IST through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2021, together with the Reports of the Board of Directors and the Auditors thereon;

2. To appoint a Director in place of Mr. Rajendra Gandhi, Managing Director (DIN: 01646143) who retires by rotation and being eligible, offers himself for re-appointment;

3. To appoint a Director in place of Mr. Rajiv Nitin Mehta, Chief Executive Officer and Whole-Time Director (DIN: 00697109) who retires by rotation and being eligible, offers himself for re-appointment;

4. To appoint Price Waterhouse Chartered Accountants LLP (Firm Registration Number: 012754N/N500016) as Statutory Auditors of the Company and to fix their remuneration;

   To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, Price Waterhouse Chartered Accountants LLP (Firm Registration Number: 012754N/N500016) be and is hereby appointed as Statutory Auditors of the Company in place of M/s Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 008072S), the retiring Statutory Auditors, to hold office for a term of five consecutive years from the conclusion of this Meeting until the conclusion of the Annual General Meeting to be held in the FY 2025-26 on such remuneration as may be fixed by the Board of Directors in consultation with the Statutory Auditors of the Company."

SPECIAL BUSINESS

5. Ratification of remuneration to the Cost Auditors:

   To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and the Companies (Audit and Auditors) Rules, 2014, as amended, the Company hereby ratifies the remuneration of ₹ 1,00,000 (Rupees one Lac) plus applicable taxes, travel and out-of-pocket expenses incurred in connection with the cost audit payable to M/s. GS & Associates, appointed as the Cost Auditors of the Company to conduct audit of the cost records of the Company for the financial year ending March 31, 2022."

   "**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof), be and is hereby authorised to do all acts and take all steps as may be necessary, proper or expedient to give effect to this resolution."

6. Re-appointment of Ms. Neha Gandhi as Executive Director for 5 years with effect from September 30, 2021:

   To consider, and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** in accordance with the provisions of Sections196, 197 and 203 read with Schedule V and other applicable provisions, if any of the Companies Act, 2013 and the

Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force, consent of the Members be and is hereby accorded to the re-appointment of Ms. Neha Gandhi (DIN: 07623685) as Executive Director of the Company, for a period of 5 (five) years i.e., with effect from September 30, 2021, liable to retire by rotation, upon the terms and conditions as set out in the Statement annexed to the Notice convening this Meeting".

"**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) and / or Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

7. To appoint Mr. Bharat Singh, as Non-Executive Director of the Company:

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the Members of the Company be and is hereby accorded for the re-designation of Mr. Bharat Singh (DIN: 08222884) as Non-Executive Director of the Company, liable to retire by rotation as a director, with immediate effect.

"**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) and / or Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

8. Approval of remuneration payable to Mr. Rajiv Nitin Mehta, Chief Executive Officer and Whole-Time Director of the Company

To consider, and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** in supersession of the resolution passed by the Members at the Extra Ordinary General Meeting held on December 4, 2019 and pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, the Company be and is hereby authorised to pay to Mr. Rajiv Nitin Mehta, (DIN: 00697109), Chief Executive Officer and Whole-Time Director of the Company, for a period commencing from April 01, 2021 till end of his tenure, such sum by way of remuneration as the Board and/or a Committee thereof may determine from time to time, but not exceeding 5% (five percent) or such other upper limit of the Net Profits of the Company in any financial year as may be specified under the Companies Act, 2013, from time to time and computed in the manner provided under Section 198 of the Companies Act, 2013 or ₹ 4,00,00,000 (four Crores) in aggregate, whichever is lower.

"**RESOLVED FURTHER THAT** in the event of inadequacy or absence of profit in any financial year, the above Director shall be paid the same remuneration as stated herein above, as minimum remuneration but subject to the upper limit, if any, prescribed under the Companies Act, 2013, from time to time".

"**RESOLVED FURTHER THAT** the Board of Directors be and is hereby further authorised to take all the steps and to do such acts, deeds and things as may be necessary to implement the above resolution."

9. Approval of remuneration payable to Mr. Rajendra Gandhi, Managing Director and to Ms. Neha Gandhi, Executive Director of the Company:

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

"**RESOLVED THAT** pursuant to regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 along with the provisions of Sections 196, 197, 198 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule-V of the Companies Act, 2013, and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board at their respective meetings held on July 29, 2021, the consent of the members be and is hereby accorded for payment of remuneration to Mr. Rajendra Gandhi (DIN: 01646143), Managing Director and to Ms. Neha Gandhi (DIN: 07623685) Executive Director annual remuneration payable shall not exceed 5% of the net profits of the Company or ₹ 3,00,00,000 (three Crores) in aggregate, whichever is lower, for a period commencing from April 01, 2021 till end of the respective terms of office of Mr. Rajendra Gandhi and Ms. Neha Gandhi.

"**RESOLVED FURTHER THAT** in the event of inadequacy or absence of profit in any financial year, the above two Directors shall be paid the same remuneration as stated above, as minimum remuneration but subject to the upper limit, if any, prescribed under the Companies Act, 2013, from time to time".

"**RESOLVED FURTHER THAT** the Board of Directors be and is hereby further authorised to take all the steps and to do such acts, deeds and things as may be necessary to implement the above resolution."

10. To approve amendments in Employee Stock Option Scheme, 2018

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

"**RESOLVED THAT** in furtherance of and in partial modifications to the Special Resolution passed by the Members at the Extraordinary General Meeting held on September 10, 2018 and the Annual General Meeting held on September 29, 2018 and pursuant to the provisions of Section 62(1)(b), and other applicable provisions, if any, of the Companies Act, 2013 (the "**Act**"), read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("**SEBI ESOP Regulations**"), to the extent applicable, the Memorandum of Association and Articles of Association of the Company, and subject to such other approvals, permissions and sanctions as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions under Stove Kraft ESOP Plan 2018, ('Plan') formulated and approved prior to the Initial Public Offering ("**IPO**") of the Company, be and is hereby ratified and the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include the Nomination and Remuneration and Committee of the Board ("**NRC**") exercising the powers conferred by the Board, including the powers conferred by this resolution) to create, issue, offer, and grant such number of employee stock options to present or future eligible employees of the Company, determined in terms of the Plan, from time to time, in one or more tranches, exercisable in aggregate into not more than 6,14,566 (Six Lacs and Fourteen thousand five hundred sixty six only) options out of original pool of 8,13,000 equity shares of the Company, upon exercise of the options, at such price, and on such terms and conditions and upon meeting of such vesting criteria as may be fixed or determined by the NRC and/or the Board in its sole and exclusive discretion AND THAT the consent of the Members be and is hereby accorded to and carrying out the amendments / modifications to the Plan as set out in the Statement annexed to the Notice convening this Meeting."

"**RESOLVED FURTHER THAT** the new equity shares to be issued and allotted by the Company in the manner aforesaid shall rank pari passu in all respects with the existing equity shares of the Company, unless otherwise decided by the Board";

"**RESOLVED FURTHER THAT** the Board be and is hereby authorised to make modifications in the Plan including in any ancillary documents thereto, as it may deem fit, from time to time in its absolute discretion in conformity with the provisions of the Act, the Memorandum of Association and Articles of Association of the Company and any other applicable laws";

"**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issue, bonus issue, split or consolidation of shares etc., of the Company, the number of above-mentioned Options shall be appropriately adjusted";

"**RESOLVED FURTHER THAT** for the purpose of giving effect to any creation, offer, issue, allotment or listing of shares, the Board be and is hereby authorised, on behalf of the Company, to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, necessary or desirable for such purpose and with power to sign any documents, deeds, settle any issues, questions, difficulties or doubts that may arise in this regard";

"**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any powers conferred herein, to NRC, including the power to sign Stock Option Agreement/Issue grant letter(s), with power to further delegate to any directors/senior management personnel of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings, etc., as may be necessary in this regard."

Place: Bangalore
Harohalli
Date: July 29, 2021

Elangovan. S
Company Secretary
Membership No. A39753

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

Item No.: 4

The Members of the Company at the 20th Annual General Meeting ('AGM') held on July 25, 2019, approved the appointment of M/s. Deloitte Haskins & Sells Chartered Accountants (Firm Registration Number 008072S) as the Auditors of the Company for a second term of two years from the conclusion of the said AGM. Deloitte Haskins & Sells will complete their second term on conclusion of this AGM in terms of the said approval and Section 139 of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014.

The present remuneration of Deloitte Haskins & Sells for conducting the audit for the FY 2020-21, is ₹ 35,00,000 (Rupees Thirty Five Lacs). The Board of Directors of the Company upon the recommendation of the Audit Committee recommended for the approval of the Members, the appointment of M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration Number: 012754N/N500016) as Statutory Auditors of the Company for a period of five years from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in the FY 2025-26 of the Company at a remuneration of ₹ 46,00,000 (Rupees Forty Six Lacs) in respect of Statutory Audit to be undertaken for the FY 2021-22.

The fee has been proposed after considering various parameters like technical knowledge, expertise, industry experience, market standing of the firm and the time and efforts required to be put in by M/s. Price Waterhouse Chartered Accountants LLP to conduct the statutory audit of the Company. The proposed fees is also in line with the industry benchmarks.

The Company has also received consent and eligibility letter from the proposed auditors to act as the Statutory Auditors of the Company, in accordance with the provisions of Section 139 and Section 141 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014.

Price Waterhouse Chartered Accountants LLP, (the "Firm") having a Firm Registration No. 012754N/N500016, is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. The Firm was established in the year 1991 and was converted into a limited liability partnership in the FY 2013-14. The registered office of the Firm is at Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi - 110 002 and has ten branch offices in various cities in India. The Firm is primarily engaged in providing auditing and other assurance services to its clients and is a member firm of Price Waterhouse & Affiliates, a network of firms registered with the Institute of Chartered Accountants of India having Network Registration No. NRN/E/14. Price Waterhouse & Affiliates is a network of twelve separate, distinct and independent Indian chartered accountant firms, each of which is registered with the Institute of Chartered Accountants of India. The Firm has more than 70 Assurance partners as of March 31, 2021.

Accordingly, consent of the members is being sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for appointment of M/s Price Waterhouse Chartered Accountants LLP (Firm Registration Number: 012754N/N500016) of the Company for a period of 5 (Five) years.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

Item No. 5

In accordance with the provisions of Section 148 of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules), the Company is required to appoint a Cost Auditor to audit the cost records of the Company. On the recommendation of the Audit Committee, the Board of Directors of the Company has approved the appointment of M/s. G.S. & Associates, Cost Accountants as the Cost Auditor of the Company for the FY 2021-22 at a remuneration of ₹ 1,00,000/- (Rupees one Lac) apart from applicable taxes plus reimbursement of all out-of-pocket expenses incurred, if any, in connection with the cost audit. The remuneration of the Cost Auditor is required to be ratified subsequently by the Members, in accordance with the provisions of the Act and Rule 14 of the Rules.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the Resolution.

Accordingly, the Board recommends the Ordinary Resolution at item no. 5 of this Notice for the approval of the Members.

Item No. 6

The Members of the Company had, at their Annual General Meeting (AGM) held on September 30, 2016, appointed Ms. Neha Gandhi as Executive Director of the Company.

Pursuant to Sections 196, 197, 203 read with the provisions of Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, the Executive Director subject to the approval of the shareholders of the Company shall be appointed for a period of 5 (five) years.

Subject to the approval of the Shareholders of the Company, the Nomination and remuneration Committee and the Board of Directors of the Company had, vide resolutions passed on May 25, 2021, approved re-appointment of Ms. Neha Gandhi as Executive Director of the Company with effect from September 30, 2021, for a period of 5 years. It is proposed to appoint Ms. Neha Gandhi and approve her remuneration as Executive Director.

A brief profile of Ms. Neha Gandhi, is provided elsewhere in the Notice.

The proposed remuneration and terms and conditions of Re-appointment of Ms. Neha Gandhi (hereinafter referred to as the Executive Director) is as given below:

Salary

(a) The remuneration paid or payable, including all variable costs would be ₹ 25,50,790 (Rupees Twenty five Lacs fifty thousand seven hundred and ninety only) per annum, the said remuneration can be revised, subject to the recommendation of Nomination and Remuneration Committee, which shall also be approved by the Board of Directors of the Company within the overall limit as passed by the shareholders in resolution no. 9.

(b) Basic Salary – ₹ 85,026/- per month.

(c) House Rent Allowance - ₹ 34,011/- per month.

(d) Other Allowances - ₹ 80,046/- per month.

(e) Bonus - ₹ 7,083/- payable annually.

(f) Other Statutory Benefits - ₹ 6,400/- per month.

(g) Medical Reimbursement:

i) Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years.

ii) Mediclaim insurance as per rules of the Company.

(h) Leave Travel Concession for self & family once in a year as per the rules of the Company.

(i) Personal Accident Insurance Premium not exceeding ₹ 10 Lacs per annum.

(j) Club Fees subject to a maximum of two clubs. This will not include admission and life membership fee.

(k) Provident fund, superannuation benefits and gratuity as per the rules of the Company subject to the ceilings as per the guidelines for managerial remuneration in force from time to time.

(l) Provision of Company's car with driver.

(m) Provision of free telephone at residence. Encashment of leave as per the rules of the Company.

Requisite Notice under Section 160 of the Act proposing the appointment of Ms. Neha Gandhi has been received by the Company, and the Company received consent from Ms. Neha Gandhi pursuant to Section 152 of the Act.

No Director or their relatives, except Mr. Rajendra Gandhi, Managing Director, to whom the resolution relates, is interested or concerned in the resolution.

Accordingly, the Board recommends the Ordinary Resolution at item no. 6 of this Notice for the approval of the Members.

Item No. 7

Mr. Bharat Singh is a Nominee Director of SCI Growth Investments II and Sequoia Capital India Growth Investment Holdings I (individually or collectively "Sequoia"), on the Board of our Company. Mr. Singh holds a bachelor's degree in commerce from the University of Delhi and is a chartered accountant by qualification. He has previously worked as the Chief Financial Officer of Pilani Soft Labs Private Limited (also known as RedBus) and SBI Business.

Mr. Singh was appointed as Nominee Director by Sequoia with effect from September 21, 2018 on the Board of Directors under Section 161 of the Act and as per the Company's Articles of Association. It may be noted that as per the Articles of Association of the Company as long as Sequoia holds 5% (five per cent) or more of the paid-up equity share capital of the Company on a fully diluted basis, Sequoia shall have the right to nominate one director on the Board of the Company.

In terms of Section 160 of the Act, the Company has received notice in writing from a member proposing the candidature of Mr. Bharat Singh as Non–Executive Director of the Company, liable to retire by rotation under Section 152 of the Act with prescribed deposit of Rupees One Lac, which shall be refunded, in case he is elected as Director or gets more than twenty-five percent of total valid votes cast on such resolution.

The Company has received consent in writing from Mr. Bharat Singh to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification) Rules, 2014, amended from time to time to the effect that he is not disqualified under Section 164(2) of the Act.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in this resolution.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the Members.

Item Nos. 8 and 9

Mr. Rajendra Gandhi is the Promoter and Managing Director of our Company and he is involved in the day-to-day affairs. Mr. Gandhi was re-appointed as Managing Director for a term of five years effective March 17, 2020 and his remuneration was approved by the Members of the Company in the Annual General Meeting held on September 24, 2020.

Ms. Neha Gandhi is the Promoter and Executive Director of the Company and proposed to be re-appointed as mentioned in item no. 6 for a term of five years effective from September 30, 2021.

Mr. Rajiv Nitin Mehta is a Whole-Time Director designated as the Chief Executive Officer of our Company effective September 3, 2019.

The Members of the Company, at the Extra Ordinary General Meeting held on December 4, 2019, had approved the payment of remuneration to the Managing Director and Executive Directors of the Company up to a maximum of ₹ 4,00,00,000 (four Crores) in the aggregate.

Pursuant to provision of Section 197 of Companies Act, 2013, the remuneration paid to one managing Director/Whole-time Director shall not exceed 5% of the net profits of the Company.

Based on recommendation of Nomination and Remuneration Committee at its meeting held on July 29, 2021 and subsequently approved by the Board at its meeting held on July 29, 2021, it is proposed to pay remuneration to Mr. Rajiv Nitin Mehta not exceeding 5% (five percent) or not exceeding such other Upper Limit of the Net Profits of the Company in any financial year as may be specified under the Companies Act, 2013, from time to time and computed in the manner provided under Section 198 of the Companies Act, 2013 or ₹ 4 (four) Crores in aggregate, whichever is lower.

In terms of Regulation 17(6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), the remuneration payable to Executive Directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by Special Resolution in General Meeting, if:

1) the annual remuneration payable to such Executive Director exceeds rupees five Crore or 2.5 per cent of the net profits of the Listed Entity, whichever is higher; or

2) where there is more than one such Director, the aggregate annual remuneration to such Directors exceeds 5 per cent of the net profits of the listed entity.

Based on recommendation of Nomination and Remuneration Committee at its meeting held on July 29, 2021 and subsequently approved by the Board at its meeting held on July 29, 2021, it is proposed to pay annual remuneration to Mr. Rajendra Gandhi and Ms. Neha Gandhi which shall not exceed 5% (five percent) of the net profits of the Company or ₹ 3,00,00,000 (three Crores) in aggregate, whichever is lower, for a period commencing from April 01, 2021 till the end of the respective terms of office.

Keeping in view the requirements of the Companies Act, 2013 and Listing Regulations and in furtherance to the recommendation of Nomination and

Remuneration Committee at its meeting held on July 29, 2021, the Board of Directors hereby seek Members' approval for payment of the respective Remuneration to Mr. Rajiv Nitin Mehta, Mr. Rajendra Gandhi and Ms. Neha Gandhi as per already approved terms and conditions, notwithstanding that the annual remuneration payable to each of them shall not exceed the limit mentioned above.

None of the Directors, except Mr. Rajiv Nitin Mehta, Mr. Rajendra Gandhi and Ms. Neha Gandhi, Executive Directors of the Company and their respective relatives, to whom the resolution relates, is interested or concerned in items 8 and 9 of the Notice of the Meeting. The Board recommends the ordinary resolution for item 8 and Special resolution for item 9.

Item No. 10

The primary objective of the Company's Employee Stock Option (the "Plan") is to reward the key employees for their association, dedication and contribution to the goals of the Company. The Company intends to use this Plan to attract, retain and motivate key talent by way of rewarding their performance and motivating them to contribute to the overall corporate growth and profitability.
The Company views Employee Stock Options as long-term incentive tool that would enable the Employees not only to become co-owners, but also to create wealth out of such ownership in the future.

The shareholders of the Company at Extraordinary General Meeting and Annual General Meeting held on September 10, 2018 and September 29, 2018, respectively approved the Plan for the Nomination and Remuneration Committee of the Company to grant not exceeding 813,000 options to eligible employees in one or more tranches, from time to time. Out of the said 813,000 options, 129,047 options have already been exercised till date and equity shares have been issued and allotted.

Approval of shareholders by way of separate resolution in the general meeting shall be obtained by the Company in case of grant of option to eligible employees, during any one year, equal to or exceeding one per cent of the issued capital of the company at the time of grant of option.

It may be noted that the following amendments / modifications are proposed to be carried out to the Plan:

Clause No.	Existing Provision	New Provision
3.2	The maximum number of Options that may be granted to each Employee shall vary depending upon the designation and the appraisal/assessment process, however shall not exceed 2,00,000 (Two Lacs) Options per eligible Employee. However, the Committee reserves the right to decide the number of Options to be granted and the maximum number of Options that can be granted to each Employee within this ceiling	The Committee reserves the right to decide the number of Options to be granted and the maximum number of Options that can be granted to each Employee within this ceiling prescribed in clause 3.6
4.1	The ESOP 2018 shall be administered by the Committee. All questions of interpretation of the ESOP 2018 or any Option shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the ESOP 2018 or in any Option issued thereunder	The ESOP 2018 shall be administered by the Committee. All questions of interpretation of the ESOP 2018 or any Option shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the ESOP 2018 or in any Option issued thereunder. Further, Committee shall have all the powers to take necessary decisions for effective implementation of the ESOP Scheme 2018
4.2 (a)	The quantum of Options to be granted under this ESOP 2018 per Employee, subject to the ceiling as specified in Para 3.1 and 3.2	The maximum number of options to be granted to an eligible employee will be determined by and at the sole discretion of the Nomination and Remuneration Committee on a case-to-case basis.
7.5		**Insert new clause 7.5** The NRC may allow vesting on accelerated basis at such time and on occurrence of such event for such employees as it may deem fit i.e., such options shall vest immediately subject to completion of 1 year from the effective date

Other than as stated above, all other terms and conditions of the Plan remain unchanged.

Except the employees who are eligible for ESOP options and their relatives, none of the other Directors or Key Managerial Personnel of the Company including their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed resolution(s).

The Board recommends passing of the resolutions as set out under Item No. 10 of the Notice for approval of the Members as a special resolution.

To Item Nos. 2, 3, 6 and 7 of the Notice

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting [Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

Name of the Director	Mr. Rajendra Gandhi	Ms. Neha Gandhi	Mr. Rajiv Nitin Mehta	Mr. Bharat Singh
DIN	01646143	07623685	00697109	08222884
Date of Birth	December 27, 1967	June 4, 1993	April 18, 1978	November 10, 1977
Nationality	Indian	Indian	Indian	Indian
Date of appointment on the Board	June 28, 1999	September 30, 2016	September 3, 2019	September 21, 2018
Qualifications	SSLC	Holds a bachelor's degree in business administration from Christ University, Bengaluru and has completed a post-graduate certificate programme in sales and marketing management from MICA (formerly Mudra Institute of Communications, Ahmedabad)	• Bachelor's degree in chemical engineering from University of Mumbai • Master's degree in science from University of Pennsylvania, and in business administration from INSEAD	• He holds a bachelor's degree in commerce from the University of Delhi and is a Chartered Accountant Member with the Institute of Chartered Accountants of India
Expertise in specific functional area	A first generation entrepreneur with extensive experience in manufacturing, marketing and distribution, especially in Kitchen and Home Appliance Sector	Specialised in marketing	Sales, Marketing and business administration	Mergers & acquisitions, fund-raising, IPO, restructuring and operational excellence
Number of shares held in the Company	1,74,93,919	1	30,119	Nil
Directorships held in other public companies (excluding foreign companies and Section 8 companies)/ Limited Liability Partnership	Nil	Nil	Nil	Nil
Number of Board Meetings attended during the FY 2020-21	5/5	1/5	5/5	5/5

Name of the Director	Mr. Rajendra Gandhi	Ms. Neha Gandhi	Mr. Rajiv Nitin Mehta	Mr. Bharat Singh
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee)	Nil	Nil	Nil	Nil
Relationships between Directors inter se	Father of Ms. Neha Gandhi, Executive Director	Daughter of Mr. Rajendra Gandhi, Managing Director	None	None
Terms and Conditions of Appointment	No special perquisites or benefits as a Director. All terms and conditions of appointment as per the employment agreement and applicable polices of the Company. As a Director he is liable to retire by rotation	No special perquisites or benefits as a Director. All terms and conditions of appointment as per the employment agreement and applicable polices of the Company. As a Director she is liable to retire by rotation	No special perquisites or benefits as a Director. All terms and conditions of appointment as per the employment agreement and applicable polices of the Company. As a Director he is liable to retire by rotation	No special perquisites or benefits as a Director. All terms and conditions of appointment as per the employment agreement and applicable polices of the Company. As a Director he is liable to retire by rotation
Remuneration details	Have been furnished in the Corporate Governance Report			

Notes:-

1. In view of the outbreak of the COVID-19 pandemic, social distancing norm to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos. 14/2020, 17/2020 and 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020, respectively, and clarification Circular No. 02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 22nd AGM of the Company is being conducted through Video Conferencing (VC)/Other Audio Visual Means (OAVM) facility, which does not require physical presence of Members at a common venue. The deemed venue for the 22nd AGM shall be the Registered Office of the Company. Since the AGM will be held through VC, the Route Map is not annexed in this Notice.

2. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 (the "Act"), in respect of the Business under Item nos. 4 to 10 set above and the details as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and Secretarial Standard on General Meeting (SS-2) in respect of the Directors seeking appointment/re-appointment at this AGM is annexed hereto.

3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM. Hence, the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Participation of Members through VC/OAVM will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.

5. M/s. KFin Technologies Private Limited, Registrar & Transfer Agent of the Company

("RTA"), shall be providing facility for voting and attending the AGM through VC. Members may note that the VC facility provided by RTA allows participation of up to 1,000 members on a first-come-first-served basis. The members (holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, scrutinisers etc., can attend the AGM without any restriction on account of first-come-first-served principle. Members can login and join 15 (fifteen) minutes prior to the schedule time of meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time. The detailed instructions for remote e-voting, participation in the AGM through VC and for e-voting during the AGM are provided in annexure which is annexed hereto.

6. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate Members intending to authorise their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution/authorisation letter to the Company or upload on the VC portal/ e-voting portal

7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

8. The Company has appointed Mr. Pramod S M, Company Secretary in Practice (Membership No. FCS7834, CP13784) and failing him Mr. Biswajit Ghosh (Membership No. FCS8750, CP8239), Partners BMP & Co. LLP, to act as the Scrutiniser to scrutinise the voting during the AGM and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the same purpose.

9. **Voting:** All persons whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date namely August 24, 2021 only shall be entitled to vote at the General Meeting by availing the facility of remote e-voting or by voting at the General Meeting

10. In compliance with the aforesaid MCA Circulars and SEBI Circular, the Notice of the 22nd AGM and other documents are being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories.

    Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 22nd AGM and the Annual Report for the FY 2020-21 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:-

    a. For Members holding shares in physical form, please send a scanned copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company's email address at: cs@stovekraft.com

    b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.

11. Members may also note that the Notice of this AGM and the Annual Report for the FY 2020-21 will also be available on the Company's website www.stovekraft.com for their download. The same shall also be available on the website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of RTA at https://evoting.kfintech.com/. Members may also note that pursuant to Sections 101 and 136 of the Act read with the Rules framed thereunder, the Notice calling the AGM along with the Annual Report for FY 2020-21 are being sent by electronic mode to those Members whose e-mail addresses are registered with the DPs or the Company/KFin Technologies Private Limited, unless the Members have requested for a physical copy of the same.

12. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e., August 31, 2021. Members seeking to inspect such documents can send an email to cs@stovekraft.com

13. Members seeking any information with regard to accounts or operations are required to write to the Company at least seven days prior to the date of Meeting, so as to enable the Investors Relations team to keep the information ready.

14. **Green Initiative:** To support the Green Initiative, Members who have not registered their e-mail ID are requested to register their e-mail ID for receiving all communication including Annual Report, Notices, and Circulars etc. from the Company electronically.

15. **Submission of PAN:** Shareholders are requested to note that furnishing of Permanent Account Number (PAN) issued by the Income Tax Department, Government of India is now mandatory in the following cases:- a) Legal Heirs'/Nominees' PAN Card for transmission of shares, b) Surviving joint holders' PAN Cards for deletion of name of deceased Shareholder, and c) Joint Holders' PAN Cards for transposition of shares.

16. **Share Transfer permitted only in Demat:** As per Regulation 40 of the Listing Regulations, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019. In view of the above and to avail the benefits of dematerialisation and ease portfolio management, Members are requested to consider dematerialisation of the shares held by them in physical form.

17. **Shareholders' Communication:** Members are requested to send all communications relating to shares, change of address, bank details, email address etc. to the Registrar and Share Transfer Agents at the following address:

    KFin Technologies Pvt. Ltd. Selenium, Tower B
    Plot No. 31-32, Financial District Nanakramguda,
    Serilingampally, Rengareddi Hyderabad,
    Telangana - 500 032, Toll Free No : 1-800-309-4001

18. If the shares are held in electronic form, then change of address and change in the Bank Accounts etc. should be furnished to their respective Depository Participants (DPs).

Detailed instructions for remote e-voting, the process to receive notice and login credentials by the persons who become members after the cut-off date, participation in the AGM through VC, and for e-voting during the AGM

1. Any person who becomes a Member of the Company after sending this Notice of AGM but on or before the cut-off date viz. Tuesday, August 24, 2021, can access the notice of AGM along with the Annual Report for the FY 2020-21 on the website of the Company https://www.stovekraft.com/investors/, website of stock exchanges i.e., BSE Limited https://www.bseindia.com/ and National Stock Exchange of India Limited https://www.nseindia.com/ and on the website of RTA at https://evoting.kfintech.com/.

2. Members who have not registered their email address as a consequence of which the Annual Report, Notice of AGM, and e-voting instructions could not be serviced or who have become members post sending of this Notice of AGM, may temporarily get their email address and mobile number updated with the Company's RTA, by clicking the link: https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx

   Members are requested to follow the process as guided in the above-mentioned link to capture the email address and mobile number for sending the soft copy of the Notice and e-voting instructions along with the User ID and Password. In case of any queries, please write to einward.ris@kfintech.com

3. INSTRUCTION FOR REMOTE E-VOTING

Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the Listing Regulations and applicable Circulars, the Company is offering the facility of remote e-voting to its Members. The facility of casting votes by a Member using a remote e-voting system before the AGM as well as during the AGM will be provided by Company's RTA – M/s KFin Technologies Pvt Ltd.

(a) Login method for e-Voting: Applicable only for Individual shareholders holding securities in Demat

As per the SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their demat account maintained with their respective Depositories and Depository Participants as detailed below. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

OPTION 1 – LOGIN THROUGH DEPOSITORIES

NSDL	CDSL
1. **Members who have already registered and opted for IDeAS facility to follow below steps:** (i) Go to URL: https://eservices.nsdl.com (ii) Click on the "Beneficial Owner" icon under 'IDeAS' section. (iii) On the new page, enter the existing User ID and Password. Post successful authentication, click on "Access to e-Voting". (iv) Click on the company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.	1. **Members who have already registered and opted for Easi / Easiest to follow below steps:** (i) Go to URL: https://web.cdslindia.com/myeasi/home/login; or (ii) URL: www.cdslindia.com and then go to Login and select New System Myeasi. (iii) Login with user id and password. (iv) The option will be made available to reach e-Voting page without any further authentication. (v) Click on company name or e-Voting service provider name to cast your vote during the remote e-Voting period.
2. **User not registered for IDeAS e-Services:** (i) To register, click on link: https://eservices.nsdl.com (Select "Register Online for IDeAS") or https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp (ii) Proceed with completing the required fields.	2. **User not registered for Easi/Easiest:** (i) Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. (ii) Proceed with completing the required fields.

NSDL	CDSL
3. First-time users can visit the e-Voting website directly and follow the process below: (i) Go to URL: https://www.evoting.nsdl.com/ (ii) Click on the icon "Login" which is available under 'Shareholder/Member' section. (iii) Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. (iv) Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. (v) Click on the company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.	**3. First-time users can visit the e-Voting website directly and follow the process below:** (i) Go to URL: www.cdslindia.com (ii) Click on the icon "E-Voting" (iii) Provide demat Account Number and PAN No. (iv) System will authenticate user by sending OTP on registered Mobile & Email as recorded in the Demat Account. (v) After successful authentication, the user will be provided links for the respective ESP where the e-Voting is in progress. (vi) Click on the company name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

OPTION 2 - LOGIN THROUGH DEPOSITORY PARTICIPANTS

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Click on e-Voting option and you will be redirected to NSDL/CDSL Depository site after successful authentication. Click on the company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Important note: Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at Toll Free No.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 22-23058542-43.

(a) **Login method for e-Voting**: Applicable only for Members holding shares in physical form and for Non-Individual Members (holding shares either in physical or demat):

Please access the RTA's e-voting platform at the URL: https://evoting.kfintech.com/

Members whose email IDs are registered with the Company/Depository Participants (s), will receive an email from RTA which will include details of E-Voting Event Number (EVEN) i.e., 6030, User ID and Password. Members are requested to use these credentials at the Remote Voting Login at the above-mentioned URL.

Alternatively, if the member is already registered with RTA's e-voting platform, then he can use their existing User ID and Password for casting the vote through remote e-voting. If they have forgot the password, then they may click "forgot password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

Members can also use SMS service to get the credentials if their mobile number is registered against Folio No. / DP ID Client ID, by sending SMS: MYEPWD <space> EVEN No. 6030 + Folio No. (in case of physical shareholders) or MYEPWD <space> DP ID Client ID (in case of shares held in DEMAT form) to 9212993399.

Example for NSDL	MYEPWD <SPACE> IN 12345612345678
Example for CDSL	MYEPWD <SPACE> 1402345612345678
Example for Physical	MYEPWD <SPACE> XXXX1234567890

4. OTHER GENERAL INSTRUCTION FOR REMOTE E-VOTING:

a) The remote e-voting facility will be available during the following period:

Start date and time	August 28, 2021 at 9:00 A.M.
End date and time	August 30, 2021 at 5:00 P.M.

b) The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled/blocked by RTA upon expiry of the aforesaid period. Once the vote on a resolution is cast by the Member(s), they shall not be allowed to change it subsequently or cast the vote again.

c) In case of any query pertaining to e-voting, please refer 'Help' or 'FAQs' and 'User Manual for shareholders' available at the 'Download' section on the website (bottom corner) of our RTA at https://evoting.kfintech.com/. Member may also call RTA at Toll Free No.: 1-800 309 4001 or send an e-mail request to einward.ris@kfintech.com for all e-voting related matters.

5. INSTRUCTION FOR E-VOTING AT AGM

a) Only those members who will be present in the AGM through video conference facility and have not cast their vote earlier through remote e-voting are eligible to vote through e-voting during the AGM.

b) Members who have cast their votes by remote e-voting prior to the meeting may attend the meeting but shall not be entitled to cast their vote again.

c) Upon the declaration by the Chairperson about the commencement of e-voting at AGM, Members shall click on the "Vote" sign on the left-hand bottom corner of their video screen for voting at the AGM, which will take them to the 'Instapoll' page.

d) Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions.

e) The facility of Instapoll will be available during the time not exceeding 15 minutes from the commencement of e-voting as declared by the Chairman at AGM and can be used for voting only by those Members who hold shares as on the cut-off date viz. August 24, 2021, and who are attending the meeting and who have not already cast their vote(s) through remote e-voting.

6. INSTRUCTION FOR MEMBERS FOR ATTENDING THE AGM:

a) Members will be able to attend the AGM through VC/OAVM provided by RTA at https://emeetings.kfintech.com/ by clicking on the tab 'video conference' and using their remote e-voting login credentials shared through email. The link for AGM will be available in the Member's login where the event and the name of the Company can be selected. Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the instructions mentioned in clause 2 of this Annexure.

b) Members are encouraged to join the meeting through Laptops with Google Chrome for a better experience.

c) Further, members will be required to use the camera, if any, and hence it is recommended to use the internet with a good speed to avoid any disturbance/glitch/garbling, etc. during the meeting.

d) While all efforts would be made to make the VC/OAVM meeting smooth, participants connecting through mobile devices, tablets, laptops, etc. may at times experience audio/video loss due to fluctuation in their respective networks. The use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.

e) Members, who would like to express their views or ask questions during the AGM will have to register themselves as a speaker by visiting the URL https://emeetings.kfintech.com/ and clicking on the tab 'Speaker Registration' and mentioning their registered e-mail id, mobile number, and city, during the period starting from August 26, 2021 at 09.00 a.m. IST up to August 27, 2021 at 05.00 p.m. IST. Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the AGM and the maximum time per speaker will be restricted to 3 minutes.

The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. Please note that questions of only those Members will be entertained/considered who are holding shares of Company as on the cut-off date i.e., August 24, 2021.

f) A video guide assisting the members attending AGM either as a speaker or participant is available for quick reference at URL https://cruat04.kfintech.com/emeetings/video/howitworks.aspx

g) Members who need technical or other assistance before or during the AGM can contact RTA by sending email to emeetings@kfintech.com or call at Helpline: 1800 309 4001 (toll-free).

h) Due to limitations of transmission and coordination during the Q&A session, the Company may dispense with the speaker registration during the AGM.

7. GENERAL INSTRUCTION FOR MEMBERS

a) The Chairperson shall formally propose to the Members participating through VC/OAVM facility to vote on the resolutions as set out in this Notice of 22nd AGM (AGM) and shall also announce the start of the casting of the vote at AGM through the e-voting platform of our RTA - KFin Technologies Pvt. Ltd and thereafter the e-voting at AGM will commence.

b) The Scrutiniser shall, immediately after the conclusion of e-voting at the AGM, first count the votes cast during the meeting, thereafter unlock the votes cast through remote e-voting and make a consolidated Scrutiniser's report of the total votes cast in favour or against, if any, and submit the report to the Chairperson of the Company or any person authorised in that respect, who shall countersign the same and thereafter announce the results of the e-voting. The results declared along with the scrutiniser's report shall be placed on the Company's website at www.stovekraft.com/investors and the website of RTA at https://evoting.kfintech.com/ and shall also be communicated to the stock exchanges viz. BSE Limited & National Stock Exchange of India Ltd. where the shares of the Company are listed. The resolutions shall be deemed to be passed at the AGM of the Company subject to obtaining requisite votes thereto.

Place: Bangalore,
Harohalli
Date: July 29, 2021

Elangovan. S
Company Secretary
Membership No. A39753

Notes

STOVEKRAFT®

REGISTERED OFFICE

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Harohalli Industrial Area,
Ramanagara District,
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