



August 19, 2022

To,

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

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

Dear Sir/Madam,

Sub: Annual Report for F.Y.2021-22 and Notice of 23rd Annual General Meeting (AGM)

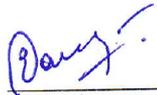
Pursuant to Regulation 30 & 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find the enclosed the following, which are being sent to the Members of the Company:

1. Notice of 23rd Annual General Meeting scheduled to be held on Monday, September 12, 2022 at 11:00 A.M. IST through Video Conferencing/Other Audio Visual Means.
2. Annual Report for the Financial Year ended March 31, 2022.

The Annual Report is also available on the Company's Website.

Kindly take the above information on record.

Thanking you,
For Stove Kraft Limited


Elangovan S.
Company Secretary



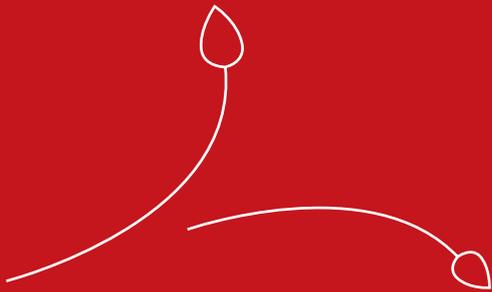
Stove Kraft Limited

#81/1 Medamaranahalli Village, Harohalli Hobli, Harohalli Industrial Area,
Kanakapura Taluk, Ramanaagara District, Bengaluru, India- 562 112

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Sustaining Growth, Exploring Opportunities



Annual Report
2021-22

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Read this report online or download it at www.stovekraft.com

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SUSTAINING GROWTH, EXPLORING OPPORTUNITIES

AT STOVE KRAFT, WE DROVE
SUSTAINED GROWTH IN A YEAR
MARKED BY CHALLENGES,
DEMONSTRATING THE STRENGTH OF
OUR BUSINESS.

From in-house manufacturing capabilities that ensure quality and cost control; a robust presence on both online and offline channels for wider customer reach; and strong brands in our portfolio that increase customers' confidence in our products, influence buying decisions and make it easier for our new products to win in the market, our strengths together make us a formidable and more stable business.

While we continued to invest aggressively in our manufacturing capabilities, distribution network, and brands, we also explored newer business opportunities for creating new growth platforms. Backed by our strong experience in kitchen solutions and LED products, we announced strategic forays into adjacent businesses of branded modular kitchens and electric switches and accessories. These new areas share strong synergies with our existing businesses and will benefit from the strengths that we have built over the years.

WE ARE COMMITTED TO CREATING VALUE FOR OUR CONSUMERS, CHANNEL PARTNERS, EMPLOYEES, INVESTORS AND COMMUNITIES. THIS REPORT TELLS YOU THE STORY BEHIND TODAY'S SUSTAINED GROWTH AND OUR CONFIDENCE IN CREATING TOMORROW'S SUCCESS AS WE EXPLORE THE NEW OPPORTUNITIES THAT WE HAVE BEFORE US.



Know Us Better

INCORPORATED IN 1999, STOVE KRAFT LIMITED IS AMONG INDIA'S LEADING MANUFACTURERS OF A WIDE RANGE OF KITCHEN SOLUTIONS AND AN EMERGING HOME SOLUTIONS BRAND. WE ALSO HAVE A GROWING GLOBAL FOOTPRINT WITH OUR PRODUCTS BEING SOLD IN THE US, MEXICO, SOUTH EAST ASIAN COUNTRIES, AND GULF NATIONS.

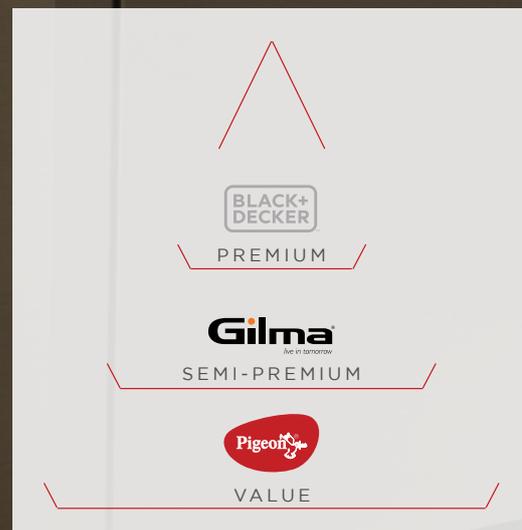
OUR KITCHEN SOLUTIONS INCLUDE A RANGE OF COOKWARE, COOKING AND HOME APPLIANCES, WHILE OUR HOME SOLUTIONS COMPRISE HOUSEHOLD UTILITIES, INCLUDING CONSUMER LIGHTING. OUR OPERATIONS ARE UNDERPINNED BY OUR WELL-RECOGNISED BRANDS, BACKWARD INTEGRATED MANUFACTURING FACILITIES, AN EXTENSIVE DISTRIBUTION NETWORK, AND DEDICATED AFTER-SALES SERVICES.

SINCE OUR INCEPTION, WE HAVE STAYED FOCUSED ON CONTINUOUS INNOVATIONS AND DELIVERING HIGH-QUALITY PRODUCTS AT ATTRACTIVE PRICES. THIS HAS ENABLED US TO DRIVE A VIRTUOUS CYCLE OF POSITIVE CONSUMER EXPERIENCE, BRAND LOYALTY, PRODUCT PORTFOLIO EXPANSION, AND DIVERSIFICATION INTO NEWER PRODUCT CATEGORIES.

STRONG Foothold IN INDIA

	
<p>Market leader in the sale of free-standing hobs.</p>	<p>Market leader in the sale of cooktops.</p>
	
<p>Market leader in the sale of non-stick cookware.</p>	<p>Dominant player in pressure cookers.</p>

MULTI-BRAND PORTFOLIO STRADDLING THE PYRAMID



The diagram shows a pyramid structure with three levels of brands, each enclosed in a red bracket:

- PREMIUM:** BLACK+DECKER
- SEMI-PREMIUM:** Gilma live in tomorrow
- VALUE:** Pigeon 

OUR STORY IN NUMBERS

2

Manufacturing facilities with ISO 9001:2015 certifications

700+

Distributors

70+

Exclusive GILMA stores

14

Countries where products are exported

₹ 108 Cr

EBITDA in FY 2021-22

59 Mn

Manufacturing capacity per annum

79,000+

Retail outlets

9

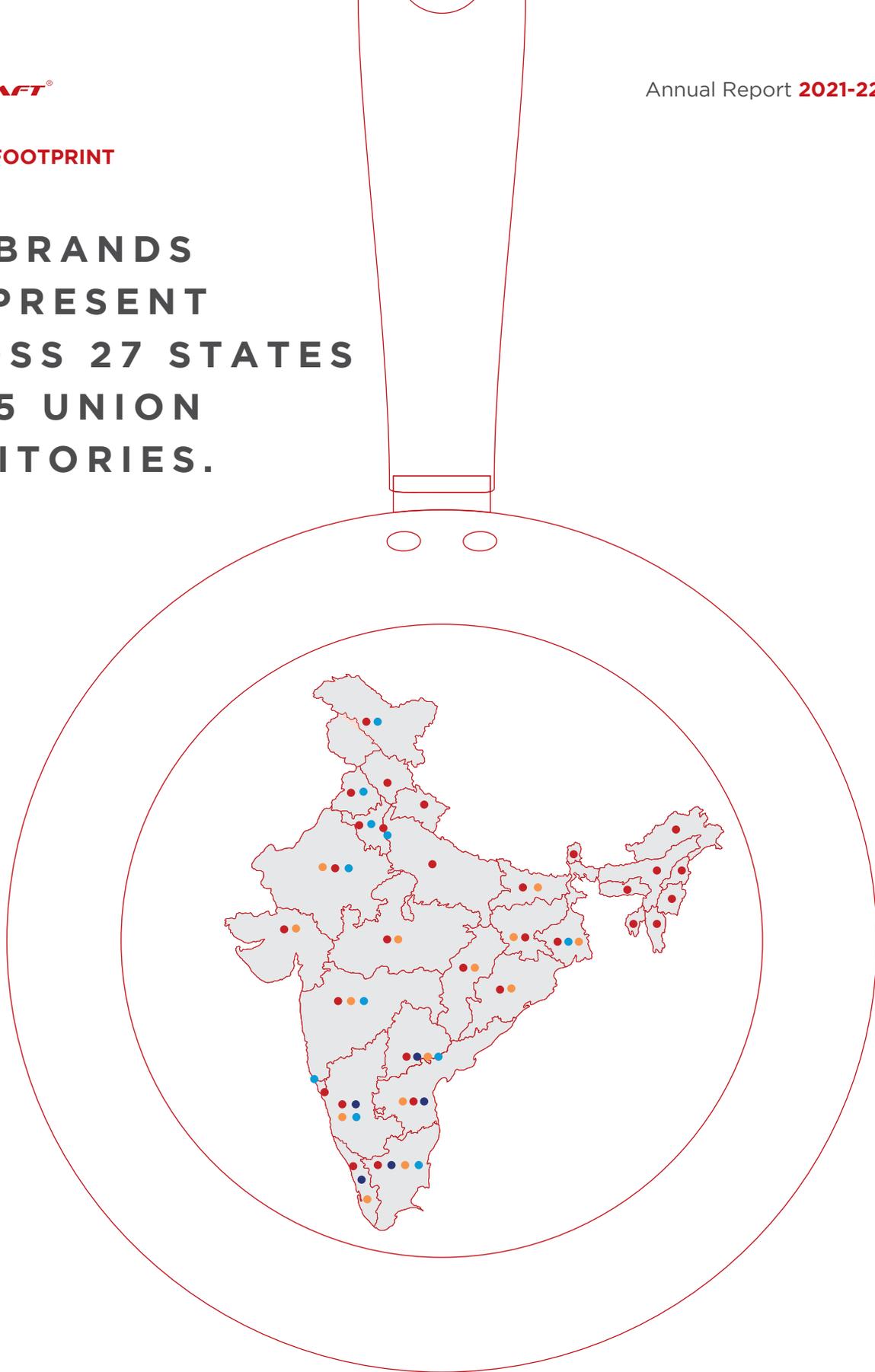
Carrying & Forwarding agents

₹ 1,136 Cr

Revenues in FY 2021-22

DOMESTIC FOOTPRINT

**OUR BRANDS
ARE PRESENT
ACROSS 27 STATES
AND 5 UNION
TERRITORIES.**



● Pigeon ● GILMA ● Pigeon LED ● BLACK+DECKER

INTERNATIONAL FOOTPRINT



**WE MANUFACTURE
BRANDED AND ORIGINAL
EQUIPMENT FOR RETAIL
CHAINS IN OUR EXPORT
MARKETS.**

Map not to scale, for graphical representation only.

Our Brands and Product Portfolio

OUR FLAGSHIP BRANDS - PIGEON & GILMA - ENJOY A HIGH BRAND RECALL AMONGST CUSTOMERS FOR QUALITY AND VALUE FOR MONEY. THESE BRANDS ENJOY A MARKET PRESENCE OF OVER 15 YEARS.

OUR ASSOCIATION WITH STANLEY BLACK & DECKER INC. AND THE BLACK AND DECKER CORPORATION, A DIVERSIFIED GLOBAL PROVIDER OF HAND TOOLS, AUTHORISES US TO EXCLUSIVELY RETAIL KITCHEN AND HOME APPLIANCES IN INDIA UNDER THE BLACK+DECKER BRAND.

PIGEON

Cookware

Pressure cooker, wonder cast cookware, non-stick cookware, SS cookware, cast iron cookware.

Cooktops

Hobs, glass cooktops, stainless steel cooktops, induction cooktops, infrared cooktops, hobtops

Small appliances

Mixer grinders, rice cookers, electric kettles, toasters, sandwich makers, knives, steam irons, citrus juicers, personal juicers, air fryers, electric grills, choppers, chimneys and ovens

Kitchen Solutions

Emergency lamps, water bottles, flasks, aluminium ladders, mops and storage boxes



SPECTRA COOKER



SUPER COOKER



SUPER COOKER PRO



NON-STICK COOKWARE



BLAZE COOKTOP



ULTIMATE COOKTOP



ORNATE HOB



FEMME MIXER GRINDER



ELECTRIC KETTLE



VACUUM FLASK

PIGEON LED



BATTENS



EMERGENCY BULBS



LED BULBS



STRIP LIGHTS



DOWNLIGHTS

GILMA



BENTLY



EBONY 3 BR



FIONA 4XL



PLATINA



REGALIA



STELLO-60



CIGMA 90



GFB 4B

BLACK + DECKER



BXT03001IN



COFFEE MAKER



GARMENT STEAMER



HAND MIXER WITH BOWL



HOT KETTLE



HAND HELD STEAMER

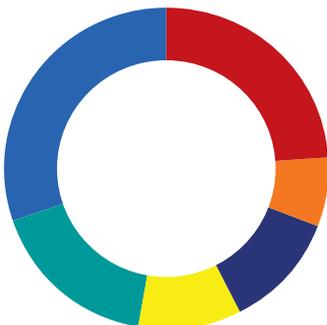


STEAM IRON



FOOD PROCESSOR

REVENUE BREAKUP: FY22



Pressure Cookers	24.1%
LED	6.9%
Induction Cooktop	11.6%
Gas Cooktop	10.4%
Non-stick Cookware	16.9%
Mixers/Small Appliances/Others	30.1%

Each of our brands has a separate distribution network for effective reach.

Strengths that Underpin Growth and Opportunities



WELL-RECOGNISED BRANDS

Having strong, well-known brands enhances our credibility with consumers, gives us a competitive edge, and makes it easier to introduce new products. Pigeon is a 20-year-old brand that enjoys a wide customer outreach and has a high brand recall value. Gilma is preferred and regarded by consumers seeking a semi-premium experience, while Black+Decker is a trusted global brand.



BRANDS ACROSS THE PRICE PYRAMID AND A WIDE PORTFOLIO

With our brands straddling all segments of the market - value, semi-premium and premium, we are able to reach out to more households. Moreover, the diverse range of products enables us to meet the varied requirements of consumers and further strengthen brand recognition and loyalty.



ROBUST MANUFACTURING CAPABILITIES

Our manufacturing facilities, located in Bengaluru (Karnataka) and Baddi (Himachal Pradesh), have a high level of backward integration and the manufacturing process is not dependent on third-party suppliers and OEMs. Further, at our Bengaluru manufacturing site, around 22 acres of land is available for capacity expansion.



WELL-CONNECTED DISTRIBUTION NETWORK

Our supply chain and distribution network are well integrated with our manufacturing facilities. This enables us to drive cost efficiencies, wider customer outreach, and faster delivery. Presently, we have nine strategically located carrying and forward agents, 700+ distributors, 79,000+ retail outlets, and a sales force of 560+ personnel.



MULTICHANNEL PRESENCE

Our products are available across several channels, enabling us to not only reach a wider customer base but also diversify our product line and serve multiple demographics. Our sales channels include independent third-party retail stores, exclusive brand outlets, prominent retail chains, leading e-commerce platforms, social media presence, and brand websites.



TECHNOLOGY-DRIVEN OPERATIONS

We have automated various sales and distribution processes through the deployment of sales force automation technology and a distribution management system. The use of technology helps us to track secondary (from distributors to retailer) and tertiary (from retailer to end customer) sales and maintain the right inventory levels at the distributor's end. Further, the implementation of SAP across all functions provides real-time business insights facilitating faster and better decision-making.



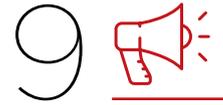
STRICT QUALITY FOCUS

Our rigorous approach to quality across the value chain, right from vendor qualifications and raw material procurement to product development and manufacturing, enables us to build quality into our in-house products. The quality of products that are sourced from third-party OEMs is closely inspected by a dedicated sourcing team and quality assurance team.



CONSUMER-RELEVANT INNOVATION

We are able to consistently deliver relevant product innovations on the back of our dedicated in-house R&D facility and R&D investments. These innovations are developed after delving deep into consumer and market insights to ensure that they align with evolving consumer needs.



STRONG BRANDING AND MARKETING FOCUS

We undertake a wide range of marketing and branding activities to enhance brand visibility, outreach, and sales. The adoption of a 360-degree consumer engagement strategy through mass media and below-the-line activities ensures brand salience and consumer acceptability for new product launches.



DEDICATED AFTER-SALES NETWORK

Centralised consumer relationship management (CRM) system and centralised call centres enable us to provide faster and more efficient services to our customers. We also have a dedicated service team and mobile app for select brands to address service calls. Our top-notch consumer support helps to drive a superior brand experience and build brand loyalty.



PROFESSIONAL AND EXPERIENCED MANAGEMENT

We are a professionally managed company with a successful track record of corporate governance and robust internal controls. Our experienced management team formulates our business and brand strategy while the product heads have significant experience in their respective product categories.



STRONG TRACK RECORD AND FINANCIAL STABILITY

We have maintained a strong track record of growth over the years through our strong product portfolio, integrated manufacturing facilities, wide distribution network, and better operational efficiencies. We continue to add new growth levers through portfolio expansion and investments in our infrastructure and retail footprint.

A Year of Exciting Developments

FROM REACHING LANDMARK REVENUES, LAUNCHING NEW PRODUCTS AND FORAYING INTO EXCITING SEGMENTS TO STRENGTHENING OUR DISTRIBUTION NETWORK, DRIVING ENHANCED BACKWARD INTEGRATION THAT REDUCED OUR DEPENDENCE ON THIRD-PARTY SUPPLIERS, AND INTEGRATING SUSTAINABILITY INTO OUR OPERATIONS, IT HAS BEEN A YEAR OF SUSTAINING GROWTH AND EXPLORING OPPORTUNITIES.



Crossed the ₹ 1,000 Cr revenue milestone



32.3% growth in revenue from operations



36.4% growth in e-commerce sales



18% increase in sales volume



Forayed into electrical switches and accessories through strategic acquisition



Forayed into branded modular kitchen segment through strategic acquisition



Added 27,000+ retail outlets to further strengthen brand presence across the country



100% implementation of distribution management system



Strengthened backward integration to manufacture all our pressure cooker gaskets in-house



Installed a state-of-the-art manufacturing facility for pressure cooker weight valves



Installed glass lid line for non-stick cookware with an installed capacity of 32,000 lids per day for 100% import replacement



Launched a range of modular plastic storage containers, a new product category



Started power generation through additional solar panels and windmill at Chitradurga



50% of our energy consumption is now being met by internal generation

New Opportunities with Strategic Forays

EXCITING OPPORTUNITIES BECKON WITH OUR STRATEGIC FORAY INTO THE BRANDED MODULAR KITCHEN SEGMENT AND ELECTRICAL SWITCHES AND ACCESSORIES SEGMENT THROUGH THE ACQUISITION OF METSMITH INNOVATIONS AND SKAVA ELECTRIC PRIVATE LIMITED, RESPECTIVELY.

The acquisitions are an important milestone in our growth journey as both these businesses represent attractive market opportunities. These new segments will leverage our key competencies of manufacturing and innovation expertise, pan-India distribution network and brand equity.

BRANDED MODULAR KITCHENS

We acquired a manufacturing facility for modular furniture from Metsmith Innovations, along with the entire operations and design team, for a consideration of ₹86 lakhs. The facility is in Bengaluru and additional investments of ₹4/5 Cr have been made in automating lines to enable higher productivity. The manufacturing of our Ready to Assemble (RTA) kitchens has commenced and they are being sold under the Pigeon and Gilma brands.

Our RTA kitchens are a standard offering, catering to the majority of the kitchen shapes. These RTA modular kits, comprising dedicated modules of wall cabinets, floor cabinets and tall units, are being mass-produced on automated lines. This provides customers with the benefits of assured quality, quick delivery, and affordable price derived from economies of scale. Currently, we are the only/among the select few players in the organised segment delivering RTA kitchens at such aggressive price points.

Reasons for foray

The RTA kitchen business is an extension of our kitchen solutions business. Having built a large and loyal customer base for our kitchen solutions, we believe that our RTA kitchens will find strong consumer acceptance. Our established strengths of pan-India distribution presence in cookware and kitchen appliances also provide considerable synergies for growing the sales of our RTA kitchens. We remain focussed on exploiting the distribution channels of both Pigeon and Gilma brands.

The modular kitchen industry is currently highly unorganised, comprising local carpenters, contractors, builders, small retail operators and architects. With the rise in incomes and shift in consumer preference for branded products, we believe that our RTA products at value-based pricing can make exciting gains from the unorganised segment.

An increasing number of families are also acquiring RTA kitchens due to the convenience it offers versus custom-built kitchens. The short time in which an RTA



kitchen can be installed and is ready for use is another advantage that works in its favour. We are setting up a network of our own service franchisees/ technicians across the country. These service personnel will be trained for installing our RTA kitchens. We are also putting in place a strong CRM to address customer needs and queries.

ELECTRICAL PRODUCTS AND ACCESSORIES

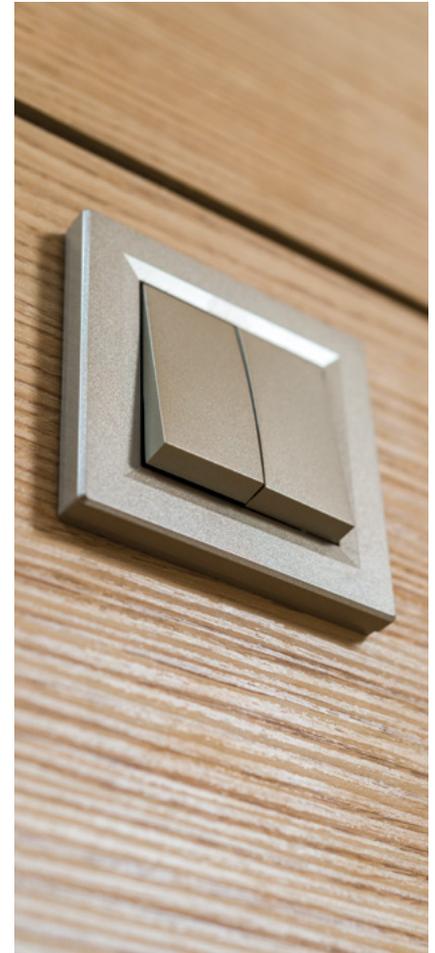
We acquired Skava Electric Private Limited which manufactures low voltage switchgear solutions like electrical switches, sockets, distribution boards, switchboards, MCB, and bulb holders. The acquisition was a slump sale for a consideration of ₹4 Cr. The fundamental infrastructure of Skava is in place and apart from investing in tooling, which is a continuous process, minimal capital investments are required for ramping up operations. The commercial production from Skava's business started in May 2022.

Reasons for foray

The electrical products segment is a natural extension of our fast-growing LED business under the brand Pigeon LED, with the Skava range of products complementing our existing LED products. We have rapidly scaled up our LED business and are confident of replicating this success in other electrical products by leveraging our experience. While Skava products are recognised for their high quality, we believe we can garner higher visibility and market

penetration for these products by riding on the brand strength of Pigeon LED.

Further, Stove Kraft has 31,000 touch points across 18 states which will provide distribution synergies for electrical products. Skava, on the other hand, has a distribution network in Tier-I and Tier-II cities in Southern India. Skava also has an additional channel that reaches out to architects, interior designers and other influencers. These strengths of Skava will enable us to generate leads and demand for our complete product portfolio across LED and electrical products. Finally, Skava brings with it an innovative and energetic team. The pooling together of Skava's and Stove Kraft's human resources creates a formidable team for scaling our electrical business.



STOVE KRAFT HAS 31,000 TOUCH POINTS ACROSS 18 STATES WHICH WILL PROVIDE DISTRIBUTION SYNERGIES FOR ELECTRICAL PRODUCTS.

Letter from the Managing Director



₹1,136 Cr

Total revenue FY 2021-22

27,249

New retail outlets in FY 2021-22

52.4% ↑

DEAR SHAREHOLDERS,

THE FINANCIAL YEAR 2021-22 WAS A VERY POSITIVE YEAR WITH CONSIDERABLE PROGRESS MADE ACROSS SEVERAL AREAS, INCLUDING CROSSING THE ICONIC ₹1,000 CR REVENUE MILESTONE, STRENGTHENING OUR IN-HOUSE MANUFACTURING CAPABILITIES, AND FORAYING INTO NEW BUSINESS SEGMENTS. OPERATING AGAINST THE BACKDROP OF MULTIPLE CHALLENGES THROUGHOUT THE YEAR, THESE ACHIEVEMENTS REFLECT OUR CONTINUED COMMITMENT TO BETTER SERVE OUR CONSUMERS AND DRIVING SUSTAINED GROWTH EVEN IN TURBULENT TIMES.

OPERATING ENVIRONMENT

In the first quarter of FY 2021-22, just when it appeared that the Indian economy was emerging from the throes of COVID-19, the devastating second wave of the pandemic once again slammed the brakes on recovery. With pandemic cases subsiding and increased vaccination coverage in the second quarter, economic activity regained momentum. In the fourth quarter, however, economic and social life was again disrupted by the omicron variant-led COVID-19 wave, albeit this time the impact was far less.

Further, the ongoing geopolitical strife between Russia and Ukraine aggravated the pre-existing challenges of excessive volatility in commodity prices, inflationary pressures, and supply chain disruptions. Global trade witnessed new challenges with ocean container rates climbing to historical highs given large imbalances between supply and demand.

FINANCIAL REVIEW

Overcoming the numerous external headwinds, Stove Kraft delivered a strong performance for the year. Our total revenue for FY 2021-22 stood at ₹1,136 cr, an increase of 32% over the previous year. This was achieved on the back of stellar volume growth of 18% and a better product mix. Moreover, we have grown across all channels - general trade, modern retail and e-commerce.

Despite our best efforts to offset inflation with productivity and a greater share of in-house manufacturing, we experienced a sudden and steep hike in raw material cost and freight in the latter half of the year that we were not able to fully offset. Our export performance was particularly impacted during this period. Our EBITDA thus declined by 8.2% on a year-on-year basis. Pricing revisions have been announced in all channels and we will begin to realise the additional revenue during the first half of fiscal 2022-23. We shall also continue to focus on backward integration of our facilities, thereby increasing efficiencies and reducing cost.

OPERATIONAL HIGHLIGHTS

Our unique upstream linkage, which enables us to manufacture approximately 90% a rapidly growing proportion of our products and components in-house, gives us a cost advantage. We continued to invest in backward integration and enhancing our facilities to create a better value proposition for our consumers. In this regard, I am glad to share that all



WHILE WE STRENGTHEN OUR OFFLINE PRESENCE, WE ALSO RECOGNISE THE IMPORTANCE OF ENHANCING OUR OMNI-CHANNEL PRESENCE TO ALLOW CONSUMERS TO SHOP WHEREVER THEY WANT, WHENEVER THEY WANT.

parts of the pressure cooker, a leading product of our portfolio, are now being manufactured in-house. We also shifted to 100% in-house manufacturing for erstwhile imported glass lids for our non-stick cookware. This continued thrust on indigenisation will enable us to further reduce our dependence on third-party suppliers and mitigate the impact of industry-wide supply chain issues.

Our strong focus on growing our distribution footprint was evidenced in the addition of 27,249 new retail outlets, an increase of 52.4% of the existing outlets as of March 2022. We also completed 100% implementation of a distribution management system. Providing visibility on secondary sales, this tool will enable us to optimise the inventory level at the distributor's end and thereby drive improved operational efficiency.

While we strengthen our offline presence, we also recognise the importance of enhancing our omni-channel presence to allow consumers to shop wherever they want, whenever they want. Our online efforts, directed at ensuring product availability, fair prices, faster despatch, and great end-to-end experience, have resonated with our consumers, reflected in e-commerce channel sales growing steadily at 36.4%.

STRATEGIC FORAYS

Among the other significant developments for the year were the actions we took to position our Company for future growth and outperformance. We forayed into new adjacent businesses of branded modular kitchens and electrical switches & accessories through the acquisition of Metsmith Innovations and Skava Electric Private Limited, respectively. These businesses share strong synergies with our existing businesses and will benefit from our

manufacturing capability, distribution network and brand recognition.

Leveraging our vast experience in kitchen solutions, we are well-placed to capitalise on the untapped market of affordable branded modular kitchens. With the perception of kitchens changing to become an equally important part of homes, there is a growing preference for kitchens that are functional, space-spacing and aesthetic. Further, with busier lifestyles, consumers increasingly prefer the convenience of buying ready furniture than getting it made from scratch. Our Ready to Assemble (RTA) kitchens at attractive prices will enable us to cater to the needs of the value-conscious Indian consumer.

Our LED business has been growing at a brisk pace. The addition of electrical switches and accessories to our portfolio is thus a natural product extension. Skava products are recognised in the market for their quality and have an established sales channel. As we combine the strengths of Stove Kraft and Skava, we are confident that the whole will be greater than the sum of its parts.

We are foraying into a new distribution channel viz., direct retail stores. Over the next 12-18 months, we expect to open 35-40 company-owned and company-operated retail stores in the state of Karnataka. These stores will offer an entire range of products including cookware, cooktops, small appliances and LED products sold under Pigeon brand.

WAY AHEAD

The consistent investments across different facets of the business is making Stove Kraft stronger. We also remain focussed on driving meaningful product innovation to stay relevant to consumers both in India and the international markets. Initiatives for strengthening brand salience will continue to help increase our market share, expand into new markets and foray into newer product categories. We aim to spend between 3 and 4% of our revenue on branding and marketing on an annual basis. In summary, innovation, quality, price, brand and distribution are our top priority areas as we seek to enrich the daily lives of millions while delivering value for our stakeholders.



WE FORAYED INTO NEW ADJACENT BUSINESSES OF BRANDED MODULAR KITCHENS AND ELECTRICAL SWITCHES & ACCESSORIES THROUGH THE ACQUISITION OF METSMITH INNOVATIONS AND SKAVA ELECTRIC PRIVATE LIMITED, RESPECTIVELY.

Our outlook for kitchen and home products remains positive. The economy remains strong despite growing concerns about inflation and global supply disruptions. The massive vaccination drive in India has helped in containing the pandemic, anxieties related to COVID-19 have receded, and any new variants of the virus are expected to be of limited severity. Consumer spending appears healthy. Finally, rising income, rapid urbanisation, changing behavioural patterns of consumers, and growing penetration of e-commerce are all positive catalysts for the long-term growth of the kitchen and home products market.

IN CLOSING

Our employees have continued to manage a difficult operating environment through their commitment and hard work. I take this opportunity to express my heartfelt thanks for their efforts. I would also like to extend my gratitude to all our stakeholders for their continued trust in our Company.

As a result of all the action and progress in FY 2021-22, Stove Kraft enters the new fiscal as a far more capable organisation, with greater opportunity and competitive advantage to meet the evolving needs of consumers and drive sustained growth. With your support, we look forward to continuing our purposeful journey of delivering better value for one and all.

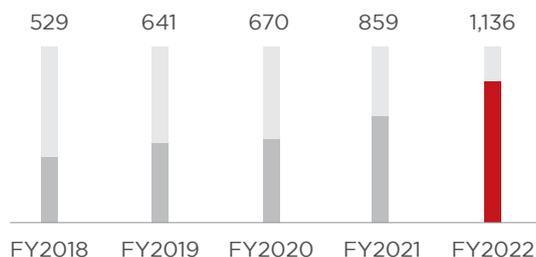
Warm Regards,

Rajendra Gandhi
Managing Director

Financial Highlights

Revenues

(₹ Cr)



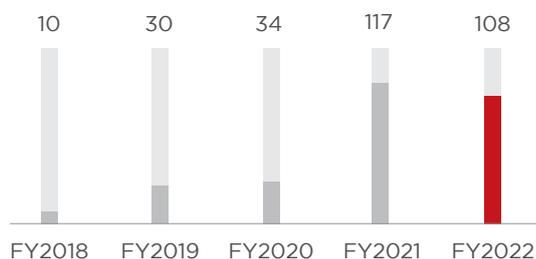
Gross Profit Margins

(%)



EBITDA*

(₹ Cr)



EBITDA Margins

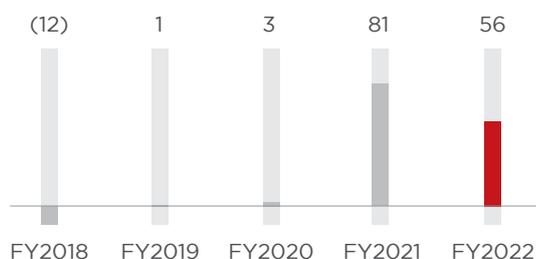
(%)



*Before allowance for expected credit loss

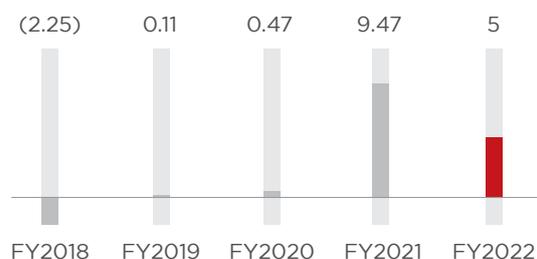
PAT

(₹ Cr)



PAT Margins

(%)



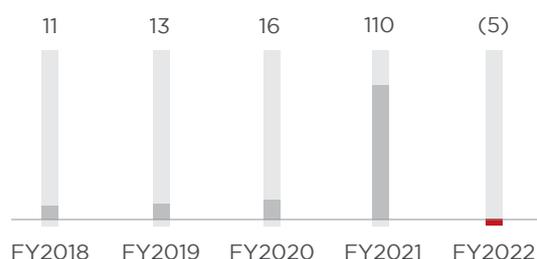
ROCE

(%)



Cash Flow from Operations

(₹ Cr)



Corporate Social Responsibility

IN OUR JOURNEY OF GROWTH, WE RECOGNISE THE IMPORTANCE OF CONTRIBUTING TO THE WELFARE OF THE COMMUNITIES IN AND AROUND WHERE WE WORK. UNDERPINNED BY OUR BELIEF THAT EVERYONE HAS A RIGHT TO CLEAN AND SAFE DRINKING WATER FOR GOOD HEALTH, WE INSTALLED 17 REVERSE OSMOSIS (RO) WATER PURIFIER SYSTEMS ACROSS VARIOUS LOCATIONS.



There were multiple reasons for the selection of RO Systems, including:

- Provide clean water to local communities
- Prevent people from water-borne diseases
- Water from RO Systems has a better taste

The RO systems were purchased from the company Ifeild RO Systems. Ifeild RO Water Purifiers have an inbuilt software. The chip which is attached to the RO System helps for regular monitoring of the water purifier.

INSTALLATION LOCATIONS

Stove Kraft premises around Bengaluru

Attikuppe, Kamalpura, Thattekere, Marigowdana Doddi, Siddayannadoddi Harohalli, Guthalahunasedoddi, Ursu Colony, Suddaghatta, Mavatturu, Guttalahunase Halli, Chikkasadenahalli, Kolalagundi, Uyyalappnahalli

In Rajasthan

Manda, Chelawas, Chhora

Board of Directors



MR. LAKSHMIKANT GUPTA

Chairman and 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 Ginnar Software Private Limited. He is also a partner of CMO now Marketing Consulting LLP.



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.



MRS. NEHA GANDHI

Executive Director

Mrs. 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.



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.



MR. ANUP SHAH SANMUKH

Additional Independent Director

Mr. Anup Shah is an Additional Independent Director of the Company. He holds a bachelor's degree in commerce from HR College, Mumbai, and a degree in law from Government Law College, Mumbai. He has over 36 years of experience in the field of law, specifically real estate law. Since founding his own firm in 1993, he has advised developers, builders and foreign and domestic investors in structuring real estate transactions, leases, development agreements and joint ventures. He specialises in commercial and property documentation, corporate and commercial litigation, property related issues, land laws and arbitration and alternative dispute resolutions. He is the Founder Partner of Anup S Shah Law Firm in Bangalore.

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

Anup Shah Sanmukh
Additional Independent Director

KEY MANAGERIAL PERSONNEL

Balaji AS
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

L29301KA1999PLC025387

REGISTERED OFFICE

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

REGISTRAR & SHARE TRANSFER AGENTS

KFin Technologies 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 1000;
F: +91 40 2300 1153;
E: murali.m@kfintech.com

STATUTORY AUDITORS

Price Waterhouse
Chartered Accountants LLP

INTERNAL AUDITORS

M/s. Manian & Rao,
Bangalore

COST AUDITORS

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

SECRETARIAL AUDITORS

M/s. BMP & Co. LLP,
Practicing Company Secretaries

INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN):

INE00IN01015

PLANTS

Harohalli Industrial Area,
Bangalore

Baddi, Himachal Pradesh

BANKERS

ICICI Bank
HDFC Bank
Axis Bank

Management Discussion and Analysis

ECONOMIC REVIEW

Global Economy

The year 2021 continued to witness covid-19 related disruptions on economies across the globe, though at different peak periods, causing lockdowns, restrictions to mobility and severely impacting global supply chain. Advanced economies witnessed rapid and effective rollouts of vaccination programs. However, in many emerging markets and developing economies, vaccination programs progressed very slowly. In 2022, expectations were that output and investment in advanced economies may return to pre-pandemic trends. However, 2022 witnessed global inflationary pressure and supply chain disruption led by new Omicron covid-19 variant and geopolitical tensions. Broad-based inflation was seen across the globe with many central banks tightening monetary policy. Global growth is thus expected to moderate from 6.1% in 2021 to 3.6% in 2022 and 2023. Beyond 2023, global growth is forecasted to decline to 3.3% over the medium term. Inflationary pressure is expected to persist in the near term although a gradual resolution of supply-demand imbalances and a modest pickup in labour supply will ease price inflation eventually.

(Source: IMF World Economic Outlook, April 2022)

Indian Economy

As per IMF, India is set to remain the fastest growing economy in the world. Braving the pandemic and the ongoing geopolitical tensions, the Indian economy is expected to witness 8.7% GDP growth in FY 2021-22, as per the provisional estimates by the National Statistics Office (NSO). The first and last quarters of FY 2021-22 were impacted due to the second and third waves caused by the Covid-19 pandemic. However, significant recovery was seen in the remaining two quarters due to pent-up demand and increased Government spending. The Union Budget 2022-23 aimed to harness the momentum that has led to India emerging as the fastest-growing large economy. New and ambitious targets have been taken up in the green economy and tech industries. The four key pillars for development that have been chalked out are inclusive development, productivity enhancement, energy transition, and climate action. The government is pushing forward with its citizen empowerment agenda, promising jobs, inclusive development, healthcare transformation and female empowerment.

With consumer inflation rising, like in most other major economies, RBI tightened its monetary policy to maintain a balance between inflation and growth. Though near-term challenges persist, as per IMF, GDP is expected to grow at 8.2% in FY23. Strong fiscal, monetary and budgetary interventions are expected to keep India on track to become a USD 5 trillion economy by 2025.

(Source: IMF, NSO provisional estimates)

INDUSTRY OVERVIEW & DEVELOPMENTS

Kitchen appliances are devices used for improving efficiency of various kitchen activities like cooking, storage and cleaning, primarily operating either through electricity or gas. These include devices, such as ovens, refrigerators, stoves, blenders, dishwashers, which aid the user in saving time, costs and energy while cooking. The global household cooking appliance market was valued at US\$ 261.22 billion in 2020. The main driving factors include the increasing number of nuclear families, changing food habits, and the growing number of working women and single professionals. These factors are also expected to facilitate 6.5% CAGR growth of the market over 2021-2028. Other contributing factors include globally applicable stringent energy efficiency regulations, growing popularity of e-commerce website sales for kitchen appliances, increasing preference for home automation, and continued launches of smart cooking products.

Market growth in 2020 was adversely impacted by the lockdowns and mobility restrictions due to the pandemic which resulted in temporary shutdowns of production plants, shortage of labour, and disrupted logistics. Sales were to some extent compensated due to increased popularity of online sales. Gradually, with the opening up of economies, sales of cooking appliances increased as work from home led people to spend most of their time in their households.

Based on the product structure, the market is bifurcated into large, small and others categories. The large appliances consist primarily of refrigerator, dishwasher, microwaves, cooktops, ovens, hobs, and kitchen chimneys. Small appliances include food processors, mixer grinders, blenders and juicers, coffee machines, kettles, grills, and fryers. Major factors which impact the consumers buying preference are cost, quality, energy efficiency, and technological advancements.

The Indian household appliances market is valued at US\$ 68.75 billion in 2022 with per capita revenue of US\$ 48.88. The market's largest segment is large appliances with US\$ 45 billion share. Approximately, 3% of total revenue is expected to be generated through online sales. The market is expected to grow at 5.7% CAGR over 2022-2027. The volume is expected to amount to 532.7 million units by 2027. In 2023, volume growth is expected at 8.3%.

The Indian electrical kitchen appliances market was valued at US\$ 5.7 billion in 2021 and is expected to grow at 6.7% CAGR of 6.66% during 2022-2027 to reach US\$ 8.3 billion by 2027. Large electrical kitchen appliances are anticipated to hold the largest revenue shares of the market and dominate the market segment in the upcoming five years because of increasing advancements in technology and their increased demand. Refrigerators are anticipated to hold the most significant revenue of ~89%. Rising disposable income, along with growing need for food safety and need for prolonged shelf life of cooked meals, the demand for electrical kitchen appliances is expected to grow.

India Electrical Kitchen Appliances Markets Report 2022: Large Electrical Kitchen Appliances & Small Electrical Kitchen Appliances - ResearchAndMarkets.com | Business Wire

The kitchen appliances market growth is expected to be driven by the surge in purchasing power, increase in female working population and busy lifestyle leading to growing need for fast cooking easy-to-operate kitchen appliances. Another major contributing factor to the market expansions is the rapid expansion of the food industry including small food outlets, restaurants, and cafes, other than the fine dining. Most modern kitchen appliances leverage advanced technology to help in quick food production without destroying the nutritional value.

With an increase in the real-estate prices, consumers in India prefer smaller kitchens. For the same reason, the concept of modular kitchen in this region has been widely opted. Consequently, the demand for small kitchen appliances is on a rise, which is viewed as an opportunity by the manufacturers of kitchen appliances in India.

LARGE COOKING APPLIANCES

Large kitchen appliances are seeing great traction with products like electric chimney, cooktops and cooking ranges seeing increasing traction led by rapid urbanization, shrinking ventilation space in kitchens

and rising demand for modular kitchens. With improving technology, consumer preference is shifting towards more technologically advanced products which in turn is increasing the value growth in the segment. Increasing advertisement by players coupled with increasing competition clutter in turn improving options for consumers. Increasing tie-ups between company/company distributor and interior designers is also pushing growth for the modern large kitchen appliances.

SMALL COOKING APPLIANCES

The small kitchen appliances segment was valued at US\$ 13.18 billion in 2022. The average volume per person in the Small Kitchen Appliances segment is expected to amount to 0.14 pieces in 2022. The market is expected to grow annually by 6.71% CAGR through 2022-2027. In terms of volume, the market is expected to reach 242.56 million units by 2027. The growth in the small kitchen appliance volume sales is attributable to rising number of nuclear families, rapid urbanization, increasing penetration of e-commerce channel especially in tier II and III cities, growing penetration of branded products in the rural region, growing awareness about energy-efficient and eco-friendly appliances, and high technological advancements in small kitchen appliances.

Small Kitchen Appliances - India | Statista Market Forecast

OTHERS

Growing awareness of self-cooked meals among the urban youth, increasing consumption of immunity-boosting foods, growing number of eateries and quick adoption of party culture are few of the main drivers of the non-stick cookware, such as pans, pots, whisks, etc. Rising consumer preference for eating outside, is paving the way for more eateries and food joints, in turn generating a high demand for non-stick cookware in order to serve more customers in a shorter time period without compromising on quality or presentation.

The primary market for small kitchen appliances is largely unorganized and dominated by local players and low-cost imports.

GROWTH DRIVERS AND OUTLOOK OF INDIAN KITCHEN APPLIANCES MARKET

As consumers were confined in the houses during the pandemic, cooking as a recreational activity became popular leading to rise in demand for kitchen appliances even in the pandemic period. The supply of the products was compromised due to a lack of

physical stores along with delayed online home deliveries of the kitchen appliances.

With foreign travel becoming commonplace, consumer lifestyles are changing and there is a substantial rise in demand for products which make cooking easy and were hitherto unheard of in the domestic market. With rise in disposable incomes and growing urbanization, there is a significant rise in the potential in kitchen appliances.

The rising need to reduce human intervention and automate cooking has triggered several innovations in household cooking appliances. Latest technologies are being embedded into the modern appliance to encourage household consumers to replace their conventional cooking appliances with the modern cooking appliance. Introduction of modular and energy-efficient kitchen equipment, such as induction cooktops, speed cooking ovens and dishwashers, is also contributing to the market growth. Other factors, including the thriving e-commerce sector, increasing working population and rising disposable income are boosting market growth. The growing popularity of the smart home concept bodes well for the kitchen appliances market growth.

Smart kitchen appliances demand has been witnessing steady rise on account of rapid urbanization and exposure to western world due to international travel becoming commonplace. The demand for technologically advanced and modern appliances which make cooking and storing food more efficient and convenient is escalating. The latest trend being smart kitchen appliances which can be connected to wireless, internet or bluetooth based devices that can be controlled remotely. In addition, increasing health consciousness, especially among the youth, has propelled the adoption of healthy cooking and eating habits among consumers. This has consequently catalysed the demand for appliances that allow oil-free cooking and retention of various heat-sensitive nutrients. Advancements in technology have led to the introduction of innovative household cooking products that support connectivity and voice assistants and feature touch screens and built-in cameras. These Internet of Things (IoT)-enabled, smart cooking products can be monitored and controlled remotely over the internet using smartphones.

Source: Kitchen Appliances Market Size, Share | Industry Report, 2027 (fortunebusinessinsights.com)

COMPANY OVERVIEW

With over two decades of strong presence in the Indian kitchen appliances market, Stove Kraft (the Company) has emerged as one of the dominant players in the pressure cooker, free-standing hob, non-stick cookware and cooktop segments. Headquartered in Bengaluru, Karnataka, the Company has established a strong pan India presence in 27 states and 5 Union territories. It exports its products to 12 countries across the globe with ~10% of sales generated through exports. The Company has also established OEM partnerships in the USA and Mexico.

Well established manufacturer and retailer of a wide range of kitchen and home solutions, the Company owns three prominent brands namely, Pigeon, Gilma and BLACK+DECKER, spanning across the value chain. The Company strives to establish itself as a one-stop shop for all kitchen and home solutions across price points in the value, semi-premium and premium segments.

With over 2 decades of market presence, the Company's flagship brand, Pigeon has cemented its position in the value segment being synonymous with superior quality in the cookware segments. White Page International listed Pigeon as one of the "India's Most Admired Brands 2016". Pigeon's strong reach is attributable to almost a decade of co-branding initiatives with LPG companies such as Indian Oil Corporation Limited and Hindustan Petroleum Corporation Limited leveraging their sale and distribution channels. Pigeon LED was launched in 2016 and commenced operations in 2019.

Gilma brand offers a unique modular kitchen experience in the semi premium segment sold through exclusively branded outlets owned and operated by franchisees. The Company has also launched a Gilma specific mobile application for customers to enable them to raise post sales service requests.

To establish presence in the premium segment, in FY 2015-16 the Company entered into an exclusive Brand Licensing Agreement with Stanley Black & Decker, Inc. and The Black and Decker Corporation, for the BLACK+DECKER brand. The Company got the exclusive rights to 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 has a separate distribution spread across 10 states for Black+Decker.

The Company has expanded its distribution reach to over 79,000 retail outlets. Its distribution network includes 9 C&F agents and over 700 distributors. It also has 12 distributors for export products. The Company has a dedicated service team with full in-house capabilities and provides end services through company technicians. The Company has built a separate distribution network for Pigeon, Gilma, Black+Decker and Pigeon LED. The Company has implemented BIZOM for real time tracking and capturing movement of its field sales executives and service engineers. For tracking its secondary and tertiary sales the Company utilizes DMS which also helps to maintain inventory level at the distributor's centre.

The centralized CRM software enables tracking of customer requests, pre-installation and post-sales support. In addition, the Company also has a centralized call centre and allocation of service requests to branches based on mapping.

NEW VENTURES

SKAVA - Switchgear solutions

During the current year, the Company entered into a business transfer agreement for the acquisition of the business of Skava Electric Private Limited on a slump sale basis. With this acquisition, the Company will foray into the business of manufacturing low voltage switchgear solutions like electrical switches, sockets, distribution boards, switchboards, MCB, bulb holders, etc. This acquisition is a natural extension to the existing product offering of Pigeon LED. SKAVA enjoys a strong brand recall and has a wide distribution network in Tier-I and Tier-II cities in Southern India and will supplement the Company's existing distribution network.

Retail stores

The Company is foraying into a new distribution channel viz., direct retail stores. Over the next 12-18 months, the Company is expected to open 35-40 company-owned and company-operated retail stores in the state of Karnataka. These stores will offer an entire range of products including cookware, cooktops, small appliances and LED products sold under Pigeon brand.

MANUFACTURING UNITS

The Company has two manufacturing facilities at Bengaluru, Karnataka and Baddi, Himachal Pradesh. Both the manufacturing facilities are ISO 9001:2015 certified for implementing quality management systems.

The Bengaluru facility is an integrated facility comprising multiple manufacturing units spanning across 46 acres of land. Of this area, 22 acres is available for future expansion. The Company manufactures various products at this facility including pressure cookers, non-stick cookware, hard anodised cookware, mixer grinders, induction cooktops, LPG stove, glass cooktops, IR thermometer, handy vegetable chopper and LED products. For FY 2021-22, it had an aggregate production capacity of 56 Mn units per annum. The facility holds the honour of being one of the few facilities in the country to have an automated roller coating line for the manufacture of non-stick cookware.

The Baddi facility commenced operations in FY 2004-05 and currently has an annual installed capacity of 2.80 Mn units per annum. The Company manufactures LPG stove and glass cooktops at this facility.

During FY 2021-22, the Company had set up additional plants as part of its backward integration strategy. These plants include manufacturing of glass lid, weight valves, vent tubes and gaskets. These plants are fully operational and will further lower the cost of production.

The Company has a dedicated in-house R&D facility comprising 13 personnel and tie-ups with foreign companies for technology enablement. Both the manufacturing facilities have a high level of backward integration with the manufacturing process being independent of third-party suppliers and OEMs. The facilities are capable of manufacturing 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. There is relentless focus on quality with close monitoring and rigorous review at all stages namely, sourcing of raw materials, product development and manufacturing. The Company has a dedicated sourcing team and quality assurance team based out of China to ensure highest production quality.

COMPETITIVE STRENGTHS

- One-stop shop for well recognised, award winning portfolio of kitchen solutions brands with a diverse range of products across consumer preferences and consistent focus on innovation
- Professional management with a successful track record backed by an experienced board of directors

- Wide range of branding and marketing activities
- Strong Manufacturing Capability with efficient backward integration with focus on quality
- Widespread, well connected distribution network with a presence across multiple retail channels and a dedicated after-sales network

OPERATIONAL REVIEW

The Company crossed the ₹1000 Cr revenue mark for the first-time clocking revenue of ₹1,136 Crs in FY 2021-22, up 32% as compared to FY 2020-21 led by strong consumer sentiment post opening up of the economy.

Volume growth was 18% in FY 2021-22 accompanied by 11% increase in selling price. Offline revenues witnessed strong growth backed by the addition of over 27,000 outlets during the year. Ecommerce channel continued to grow steadily at 36.4%.

The Company successfully acquired SKAVA and marked its entry into the electrical switches and accessories segment. Commercial production from SKAVA business commenced from May 2022. The segment represents an attractive market opportunity. The Company is able to further expand its offering with an attractive value proposition in the manufacturing of low voltage switchgear solutions like electrical switches, sockets, distribution boards, switchboards, MCB, bulb holders, etc. The acquisition was a slump sale basis for a cash consideration of ₹ 4 Crs. This new business will complement the existing product offering of Pigeon LED. SKAVA enjoys a strong brand recall and has a wide distribution network in Tier-I and Tier-II cities in Southern India and will supplement the Company's existing distribution network.

The pressure cooker category clocked 26% volume growth and accounted for 24% of revenues. The LED business clocked 18% volume growth and accounted for 7% of total revenues. The small appliances business clocked 17% volume growth and contributed 30% to total revenues. The domestic non-stick cookware category clocked 24% volume growth while the export business saw a decline due to the non-availability of containers which led to disruption in logistics of sea freight. The cooktop category clocked 30% volume growth and contributed 22% to total revenues.

The company has completely exited from the public sector oil company business during the year.

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 13% from 19% in the previous year

Though the Company initiated price hikes, it was not commensurate with the inflationary pressure faced on the raw material front leading to margin squeeze. Other costs like employee, marketing and advertising, travelling and others also saw steep increases during the year. Gross margin and EBITDA margin contracted by 310bps and 420bps respectively. Gross margin stood at 31.9% (PY was 35%) while EBITDA margin (excluding other income) stood at 9.5% (PY was 13.7%).

For increasing operational efficiency, the Company is exploring various backward integration and cost reduction measures. The Company started power generation through additional solar panels and windmill at Chitradurga. Both these initiatives are expected to reduce power cost by 35% in FY 2022-23 as it will generate 50% of power requirement for FY 2022-23 inhouse.

The PAT margin stood at 5% in FY 2021-22 as compared to 9.5% in FY 2020-21. The ROCE stood at 16.7% as compared to 28.9% in previous year. The Company's net debt as on 31st March 2022 stood at ₹ 62.5 Crs with reduction in working capital days to 32 days as compared to 37 days in FY 2020-21.

RISK MANAGEMENT

The Company has a robust risk management framework which forms an integral part of the strategy and planning process. Keeping in view long term business continuity, the Company proactively identifies potential risks and devises action plans to mitigate any such risks which may impact normal business operations. For ease of management, risks are broadly classified as transactional, strategic and external. This classification also helps in adopting the appropriate mitigation approach. To deal with transactional risks, the Company has devised well-defined processes and internal controls. Internal and statutory auditors regularly test these

processes for effectiveness. For mitigation of strategic and external risks, the Company undertakes enhancements to and through business strategy, operations and financial management, and human resource initiatives.

Designated owners are responsible for respective mitigation plans. They monitor and review the progress of mitigation measures undertaken. The Company has constituted a Risk Management Committee in compliance with the Amended SEBI (LODR) Regulations. The Committee is entrusted with the responsibility of identifying and undertaking appropriate mitigation measures for various types external and strategic risks, as below:

Competition Risk

Given the lucrative growth prospects of the segments, the Company faces the risk of enhanced competitive pressure from new players as well as present. Any market loss may result in decline in revenues and profitability.

The Company makes use of various sources of distribution, pan India, for its wide-ranging product assortment. The Company provides superior quality products spanning across price points from value to premium at competitive prices. Strong focus on innovation with extensive R&D and periodic launch of new products / variants / categories not only helps in expanding the customer base but also keeps the existing customers enthused. The Company works to enhance brand equity through marketing, advertising and promotion. Thus, the Company has carved itself a niche keeping competition at bay.

Commodity Price Risk

Any volatility in the price of key commodities like aluminium, aluminium derivatives, copper, plastics and steel may lead to increase in cost thereby impacting profitability.

The Company follows a cost plus model which enables it to insulate itself from any volatility in the commodity prices. Most price increases are passed on to the customers either partially or completely, with a quarterly lag. A proficient procurement team keeps a close watch on price movement of key commodities to exercise informed sourcing decisions based on demand and forecast planning. To further mitigate commodity price risk, the Company continuously works on indigenisation and backward integration of its facilitates access to critical inputs. This will not only help manage supply chain issues but also improve cost competitiveness and ensure superior quality.

Interest Rate Risk

The Company's borrowings are priced at floating rate and marginal cost of fund-based lending rate with banks. Any fluctuation in interest rates thus has a direct impact on interest costs and profitability.

The Company constantly strives to maintain a healthy debt equity ratio. To mitigate interest rate risk, the Company tries to maintain a healthy credit rating so as to facilitate lower borrowing rates or reduced spread on lending rate.

Foreign Exchange Risk

The Company enjoys natural hedge to foreign currency as it imports as well as exports. With exports on the rise foreign exchange payable are covered with foreign exchange earnings to a large extent. For the remaining forex exposure, if any, the Company closely monitors foreign currency movement and based on the risk assessment, hedges its position to mitigate forex related risk.

Credit Risk

The Company's robust credit monitoring policy enables it to filter customers eligibility for credit based on defined parameters. This helps to wade away default risk. In addition, the Company follows a conservative provisioning policy for aged receivables. The Company is also working on monetising its receivables with 'without recourse' channel funding programme currently covering e-commerce, exports and significant portion of general trade.

HUMAN RESOURCES

Human capital is considered as a critical resource responsible for the growth of the organization. Employees play a vital role in improving proficiency, strategic planning, setting-up systems and bringing organizational changes in lieu of an ever evolving business environment.

The experienced management team is instrumental in enhancing operational efficiency. The Company's HR initiatives are aimed at improving business productivity while also realizing personal goals of the employees. The Company provides a safe, conducive, collaborative and healthy work environment. The Company conducts periodic training and development programs to enhance the employees' knowledge and skills. It also strives to improve knowledge building skills and provide support in areas of functional and technical development with the help of skilled trainers. The Company also developed and conducted online learning programs spanning across the employee life cycle from induction to functional training and

refresher courses, as a part of digital learning initiative. To establish strong cross hierarchy connections the Company has the management connect program. As on March 31, 2022, the Company had 4,205 employees on its payroll.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's strong internal control system enables safeguarding its assets and highest level of productivity at all levels including regular front-end and back-end operations, statutory compliances, health, safety and environment and cyber security and IT general controls. The Audit Committee of Directors reviews and approves the Audit plan and conducts

internal audits at periodic intervals. The robustness of the internal control framework is reflected in strong focus on regular monitoring of process controls and risk management framework, enabling it to keep tight control over revenue leakages, frauds or other irregularities. The Company's internal control systems and internal audit are appropriate and relevant, in keeping with the nature of business, applicable regulatory requirements and the size of its operations. To maintain proper books of accounts with integrated transactional controls, the Company uses an effective ERP system, SAP S4 HANA, as a business enabler.

The management keeps a close control on the internal control system by regular reviews. An independent internal audit firm conducts company-wide internal audits. This helps the Company to have a wider and heterogeneous verification approach. It also helps to keep under check the robustness of the audit process. To ensure adequate safeguard of sensitive data the Company has strong IT systems. Applicable Accounting Standards are strictly followed while recording transactions. To ensure real-time reporting of key financial metrics, the Company deploys strong MIS systems and several other strategies.

The internal financial controls provide adequate assurance on recording and providing reliable financial information complying with applicable laws and regulations, safeguarding assets from unauthorised use ensuring that transactions are carried out with proper authorisation and approved workflows. The Company constantly strives to maintain the robustness of its internal control framework through regular audit and review processes, by the internal auditors, management and Audit Committee, at regular intervals.

OUTLOOK

As the pandemic went through its waves, so did the business. The first quarter of FY 2021-22 witnessed lock down leading to a tremendous boost in online sales. The business quickly emerged and adapted to the hybrid way of life. The Company saw a robust comeback from the offline channels. Overall, the Company remains confident of long-term business outlook for the home and kitchen category. 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.

Rural India has drastically modernized in the past decade. Improved electricity and water distribution and road infrastructure has led to rapid progress in people's living conditions. The government initiatives on boosting the agricultural economy and pushing the envelope on digital India has created an aspiring middle-class youth who are embracing the change and moving India forward. Disposable incomes are rising faster than inflation leading to a greater consumption. This will further help the Company's brands to capture the hearts, minds and wallets of the Indian consumer.

Going forward, the Company's strategy remains to expand channels and products. The company prides itself in end-to-end manufacturing in India. The government support for local manufacturing with schemes like Make in India and Vocal for Local, reaffirms the Company's philosophy of making in-house rather than outsourcing. The Company will continue to invest in adding additional plants for new products and backward integrate components in order to get greater cost and quality advantage.

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.

The company believes in investing in human capital. The Company will continue to attract talent across the organization in order to further deepen its strengths. The Company aims to become a world class company, not only known for its products but also for its work culture.

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 releasing 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 23rd Annual Report of the Company and the Audited Statement of accounts for the financial year ended March 31, 2022.

1. FINANCIAL HIGHLIGHTS

(₹ in Million)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from Operations	11,363.59	8,589.57
Other income and other gains/(losses)	(15.66)	5.01
Total Income	11,347.93	8,594.58
Less: Total Expenses	10,415.20	7,452.10
Profit before Interest and Depreciation	932.73	1,142.48
Finance Cost	110.11	188.29
Depreciation & Amortisation expenses	197.22	142.35
Profit before tax	625.40	811.84
Net Tax Expense	63.25	-
Profit for the year	562.15	811.84
Total other comprehensive income for the year	(1.66)	23.29
Total comprehensive income for the year	560.49	835.13

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 had on your Company's business is detailed in Management Discussion and Analysis report which is provided separately in the Annual Report.

3. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company does not have any Subsidiaries, Associates or Joint Ventures etc.

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://stovekraft.com/wp-content/uploads/2021/11/Material_Subsiary_Policy.pdf

Change in authorized, issued Subscribed and Paid-up Share Capital of the Company for the year 2021-22 are as follows:

Sl. No	Particulars	March 31, 2021		March 31, 2022	
		Total No of Equity shares	Total Equity capital	Total No of Equity shares	Total Equity capital
1	Authorized Capital	40,000,005	400,000,050	40,000,005	400,000,050
2	Issued, subscribed and fully paid up	32,589,613	325,896,130	32,867,867	328,678,670

4. DIVIDENDS

No dividends are recommended for the year

5. TRANSFER TO RESERVES

For the Financial Year under review, no amount is proposed to be transferred to reserves.

6. SHARE CAPITAL

As on March 31, 2022, the Authorized Share Capital of the Company is INR 400,000,050 /- (Rupees four hundred million fifty only) divided into 40,000,005 (forty million five) Equity Shares of INR.10/- (Rupees Ten only) each and the Issued, Subscribed and Paid-up Share Capital of the Company is 32,86,78,670/- (Rupees Three Hundred Twenty-Eight million Six Hundred Seventy-Eight thousand six hundred seventy only).

7. EMPLOYEES' STOCK OPTION PLAN

Your Company, pursuant to the resolution passed by our Board dated July 10, 2018 and our Shareholder's resolutions dated September 10, 2018, September 29, 2018 and August 31, 2021 respectively adopted and amended 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 813,000 options under the ESOP Plan was approved.

During the year Options exercised 2,78,254 shares at ₹ 150 per share.

The applicable disclosures as stipulated under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations as on March 31, 2022 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 Secretarial Auditors that the scheme has been implemented in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) 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 (Year under review)	Previous Rating (year under review)
Long Term Rating	[ICRA]A-(Positive)	[ICRA] A-(Stable)
Short Term Rating	[ICRA] A2+(Positive)	[ICRA] A2+(Stable)

9. AUDIT COMMITTEE

The details pertaining to Composition of the Audit Committee and terms of reference are included in the Corporate Governance Report, which forms part of this report. The Board has accepted all the recommendations of the Audit Committee made during the year.

10. RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered during the financial year were on an 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 material 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 2021-22 and hence does not form part of this report.

11. DEPOSITS

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

12. 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.

13. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of section 152 of the Companies Act, 2013, Mrs. Neha Gandhi, Executive Director retires by rotation and being eligible, offers herself for re-appointment.

The Board on the recommendation of the Nomination & Remuneration Committee, subject to the approval of the shareholders, has appointed Mr. Anup Shah Sanmukh as an Additional (Independent) Non-Executive Director to hold office for a term of five (5) years from November 02, 2021. At the ensuing AGM his appointment will be regularized with the approval of Shareholders.

Pursuant to the provisions of Section 149 of the Companies Act, 2013, the Independent Directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 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 21-22, 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 had a separate meeting on February 02, 2022.

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

Mr. Bharat Singh, Non-Executive, Non-Independent Director resigned from the Company with the effect from March 29, 2022 due to Pre-Occupation. The Board expresses its appreciation for the valuable guidance and services rendered by him during his tenure as Director of the Company.

Key Managerial Personnel (KMP):

Mr. Rajendra Gandhi, Managing Director, Mrs. Neha Gandhi, Executive Director and Mr. Rajiv Nitin Mehta, Chief Executive Officer and Whole-Time Director continued to be the Key Managerial Personnel (Directors category) 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 22nd AGM held on August 31, 2021, Mrs. Neha Gandhi was appointed as Executive Director for a period of 5 years with effect from September 30, 2021.

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., Company Secretary and Compliance officer

At the Board meeting held on January 01, 2022, Mr. Balaji AS was appointed the Chief Financial Officer of the Company.

Mr. Shashidhar SK resigned from the position of Chief Financial Officer of the Company w.e.f., December 20, 2021.

14. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the Regulations of the SEBI (LODR), 2015, the Board carried out an Annual Evaluation of its own, its committees, the Chairperson and the Directors individually. A detailed note on the manner of evaluation forms a part of the Corporate Governance Report.

15. 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://stovekraft.com/wp-content/uploads/2021/11/Nomination_and_Remuneration_Policy.pdf. The Policy includes, inter- alia, the criteria for appointment and remuneration of Directors, KMPs, Senior Management Personnel and other employees of the Company.

16. 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**.

17. 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.

18. STATUTORY AUDITORS

Members of the Company in their 22nd AGM held on August 31, 2021, appointed Price Waterhouse Chartered Accountants LLP (Firm Registration Number 012754N/N500016) as Statutory Auditors of the Company to hold office a term of 5 consecutive years from the conclusion of 22nd Annual General Meeting until the conclusion of 27th Annual General Meeting.

The Statutory Auditors' Report for the Financial Year 2022 does not contain any qualification, reservation or adverse remark.

19. SECRETARIAL AUDITORS

The Board of Directors has appointed M/s. BMP & Co LLP, Practicing Company Secretaries, Bangalore to conduct Secretarial Audit of your Company. The Secretarial Audit Report for the Financial Year 2021- 22 is attached to this report as **Annexure - 3**.

The Secretarial Audit Report for the Financial Year 2022 does not contain any qualification, reservation or adverse remark.

20. REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

21. COST AUDIT

Your Company is required to maintain Cost Records as specified by the Central Government as per Section 148(1) of the Act and the rules framed thereunder, and accordingly, the Company has made and maintained such Cost Accounts and records.

Your Directors on the recommendation of the Audit Committee, appointed M/s. GS & Associates, Cost Accountants to audit the cost records of the Company for the financial year 2022-23 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 Member's 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.

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

To comply with the provisions of Section 134 of the Act and Rules made thereunder, your Company has complied with the provisions

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 Financial Year 2022.

23. 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 Directors and Employees 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.

24. RISK MANAGEMENT

Risk Management is an integral part of the Company's strategy and planning process. Like any other industry, the Company faces several business risks. The Company's business is exposed to internal and external risks which are identified and revisited every year. Your Company has constituted a Risk Management Committee with the Directors.

For proper risk management, the Company has the Risk Management Policy and a well-defined Risk framework.

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

25. CORPORATE SOCIAL RESPONSIBILITY ("CSR")

In terms of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 amended vide Ministry of Corporate Affairs Notification dated January 22, 2021, the Company has amended the Corporate Social Responsibility Policy and same has been hosted on the Website of Company. Your Company has constituted a CSR Committee with Mr. Rajendra Gandhi (Chairman), Mrs. Shubha Rao Mayya (Member), Mr Lakshmikant Gupta (Member) to monitor adherence to

Corporate Social Responsibility Policy and to track transactions related to CSR Projects etc.

The Corporate Social Responsibility (CSR) Policy enumerating the CSR activities to be undertaken by the Company, in accordance with Schedule VII to the Companies Act, 2013 as adopted by the Board is available on the website of company <https://stovekraft.com/wp-content/uploads/2021/11/CSR-Policy.pdf>. The Annual Report under CSR Activities is annexed to this report as **Annexure-5**.

The details relating to the meetings convened etc. are furnished in the Report on Corporate Governance.

26. DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of the annual accounts for the Financial Year ended March 31, 2022, 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 judgments 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, 2022 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.

27. 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 Regulation 42 of the SEBI Listing Regulations, a Business Responsibility Report is attached as Annexure of Directors 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. The certificate from M/s. BMP & Co LLP, Bangalore Practising 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 National Stock Exchange of India Limited and BSE Limited. Both these stock exchanges have nation-wide trading terminals. Annual listing fee for the Financial Year 2022-23 has been paid to the National Stock Exchange of India Limited and BSE Limited.

Annual Return

Pursuant to Section 92(3) of the Companies Act, 2013 read with read with Rule 12 of the Companies (Management and Administration) Rules, 2014, copy of the Annual Return of the Company for financial year 2021-22 prepared in accordance with Section 92(1) of the Act has been placed on the website and is available at <https://stovekraft.com/investors/>

Material changes and commitments affecting financial position between the end of the financial year and date of the report

There have been 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.

Company has not made any application nor any proceedings is pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.

Others

1. The Company complies with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India;

2. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefits of employees;

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 Central Government and Government of Karnataka for their continued co-operation and assistance.

For and on behalf of the Board

Place: Harohalli, Bangalore
Date: August 04, 2022

Rajendra Gandhi
Managing Director
DIN:01646143

Rajiv Nitin Mehta
CEO and Whole Time Director
DIN:00697109

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, 2022

A. Summary of Status of ESOPs Granted

Sl. No	Particulars	
1.	Date of Shareholders' Approval EGM : AGM	September 10, 2018 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 SEBI (Share Based Employee Benefits and Sweat Equity) 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 recognized if it had used the fair value of the options shall be disclosed.	Refer note 38 of the 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 year 2021-22

Sl. No	Particulars	ESOP 2018	Weighted Average Exercise Price
1	Number of Options Outstanding at the Beginning of the Year	671,889	150
2	Number of Options Granted during the Year	0	150
3	Options Forfeited / Surrendered during the Year	21,929	150
4	Options Vested during the Year	3,15,469	150
5	Options Exercised during the Year	2,78,254	150
6	Options Lapsed during the Year	0	
7	Total Number of Shares Arising as a Result of Exercise of Options	2,78,254	150
8	Money Realised by Exercise of Options (INR), if scheme is implemented directly by the Company	4,17,38,100	
9	Loan Repaid by the Trust during the year from exercise price received	0	150
10	Options Outstanding at the End of the Year	3,71,706	150
11	Options Exercisable at the End of the Year	37,215	150

Employee-wise details of options granted during the financial year 2021-22 to:

- (a) Options granted to Senior managerial personnel as defined under Regulation 16 (d) of the SEBI(LODR) Regulations, 2015 during the year: NIL

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 financial year 2021-22, the percentage increase in remuneration of each director, chief financial officer and company secretary during the financial year 2021-22:

(₹ in Million)

Sl. No.	Name Of Director/KMP And Designation	% Increase In Remuneration In Financial Year 2021-22	Ratio Of Remuneration Of Director To Median Remuneration Of Employees In Financial Year 2021-22
1.	Mr. Lakshmikant Gupta (Chairman & Independent Director)		14.8:1
2.	Mr. Rajendra Gandhi (Managing Director)	21.7	69.6:1
3.	Mr. Rajiv Mehta Nitin (CEO & Whole-Time Director)	1.3	130.6:1
4.	Mrs. Neha Gandhi (Executive Director)	19.3	15.8:1
5.	Mr. Bharat Singh (Non-Executive Director upto March 29, 2022)	-	-
6.	Mrs. Shubha Rao Mayya (Independent Director)	-	14.8:1
7.	Mr. Anup Shah Sanmukh (Additional Independent Director w.e.f November 02, 2021)	-	2.0:1
8.	Mr. Balaji AS (Chief Financial Officer w.e.f January 01, 2022)	-	7.5:1
9.	Mr. Elangovan S (Company Secretary w.e.f May 25, 2021)	-	9.1:1
10.	Mr. Shashidhar S.K (Chief Financial Officer till December 20, 2021 & Company Secretary till May 25, 2021)	14.7	37.5:1

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

- (ii) Percentage increase in the median remuneration of employees in the financial year ended on March 31, 2022:

There was 8.83% increase in the median remuneration of employees in the financial year ended on March 31, 2022

- (iii) Number of permanent employees on the rolls of Company:

There were 4205 permanent employees on the rolls of Company as on March 31, 2022.

- (iv) 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 8.4 and average increase in the salaries of employees other than Managerial Personnel 6.4.

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

- (v) 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.

FORM No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2022

[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

CIN: L29301KA1999PLC025387

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Stove Kraft Limited (hereinafter called the "Company"). The 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 authorized 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, 2022 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, 2022, 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;
- iii. The Depositories Act, 1996 and the Regulations and Byelaws 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2018; - Not Applicable as the Company did not issue any security during the financial year under review.
 - d. The Securities and Exchange Board of India (Share Benefits Employee Benefits and Sweat Equity) Regulations, 2021;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; - Not applicable as the Company has not issued any debt securities during the financial year under review;
 - 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, 2021; - 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 applicable clauses/regulations of 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 Ltd.;
- During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.
- We further report that: -
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and

detailed notes on agenda were sent within the due timeline, 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.

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

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; and

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.

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

Place: Bangalore
Date: May 30, 2022
UDIN: F007834D000427297
Peer Review Certificate
No:736/2020

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

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
CIN: L29301KA1999PLC025387
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 our 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 our 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, and authorised representatives during the conduct of the audit and also on the review of quarterly compliance report issued by the respective departmental heads/Company Secretary/ Managing Director & CEO, 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 and Data protection policy.
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

Place: Bangalore
Date: May 30, 2022
UDIN: F007834D000427297
Peer Review Certificate No:736/2020

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

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 invested around ₹ 223.90 Million on Solar & Wind Turbine which is expected to generate 10 Million units in a year. This will take care of 40% of total annual power requirement of the Company.
(ii) Steps taken by the Company for utilizing alternate sources of energy	
(iii) Capital investment on energy conservation equipments	Company has an Energy Purchase Agreement with Clean Wind Power (Manvi) Private Ltd & Vsyhali Energy Private Ltd for solar & wind energy respectively as alternative sources of energy.
	<ol style="list-style-type: none"> As per agreement with Vyshali Energy Private Limited, we have to increase our stake by 2000 equity shares amounting to ₹ 20000/- i.e. totaling to 7200 equity shares for 0.72% stake. Solar Rooftop for 3.06 MWp was commissioned in month of Sept 2021 whereas Wind Turbine for 2 MW was commissioned in month of Mar 2022. In 2021-22, we consumed 10.974 Million from alternate source of Power against total requirement of 15.09 Million Units. i.e. 72.73% of total requirement. In 2021-22 from captive power units we have consumed 2.01 million units out of 10.97 units of alternate source of power

(b) Technology absorption

(i) Efforts made towards technology absorption	Company has invested in automated line of Glasslid & Rubber Moulding.
(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 Million
(a) Details of technology imported	-
(b) Year of import	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	

(c) Foreign Exchange Earnings & Outgo

Sl. No.	Particulars	Amount (In Million)
(i)	Earnings in Foreign Currency	998.98
(ii)	Expenditure in Foreign Currency	2743.64

For and on behalf of the Board

Place: Harohalli, Bangalore
Date: August 04, 2022

Rajendra Gandhi
Managing Director
DIN:01646143

Rajiv Nitin Mehta
CEO and Whole Time Director
DIN:00697109

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company.

The Company intends to make a positive difference to society and contribute its share towards the social cause of betterment of society and area in which companies operates. The Company also believes in the trusteeship concept. This entails transcending business interests and working towards making a meaningful difference to the society.

In this regard, the Company has made this policy which encompasses the Company's philosophy for delineating its responsibility as a Corporate Citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large and titles as the "Corporate Social Responsibility (CSR) Policy" which is based as per the Companies Act, 2013 and rules made there under.

During the year under review your company has amended CSR Policy inter-alia to incorporate following major aspects:-

- Formulation of Annual Action Plan
- Guiding Principles for Selection, Implementation and Monitoring Activities.
- Impact Assessment
- Utilization Certificate by CFO

2. Composition of CSR Committee.

Sl. No.	Name of Director	Designation	Nature of Directorship	No. of meetings of CSR Committee held during the year	No. of meetings of CSR Committee attended during the year
1.	Mr. Rajendra Gandhi	Chairperson	Managing Director	1	1
2.	Mrs. Shubha Rao Mayya	Member	Non-Executive - Independent Director	1	1
3.	Mr. Lakshmikant Gupta	Member	Non-Executive - Independent Director	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company:-

1. CSR Committee:- <https://stovekraft.com/wp-content/uploads/2022/06/Board-Composition.pdf>
2. CSR Policy:-<https://stovekraft.com/wp-content/uploads/2021/11/CSR-Policy.pdf>
3. CSR Projects:- <https://stovekraft.com/wp-content/uploads/2022/04/CSR-Annual-Action-Plan-1.pdf>

4. Provide the details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of Companies (CSR Policy) Rules, 2014, if applicable (attach the report)- N.A

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (CSR Policy) Rules, 2014 and amount required for set off for the financial year, if any- N.A

6. Average net profit of the company as per section 135(5)- 286.7 Million

a) 2% of average net profit of the company as per section 135(5)	5.73 Million
b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	-
c) Amount required to be set off for the financial year, if any	-
Total CSR obligation for the financial year (7a+7b-7c)	5.73 Million

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (In ₹)	Amount Unspent (In ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
7.35 Million	-	-	-	--	-

(b) Details of CSR amount spent against ongoing projects for the financial year: N.A

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local Area (Yes/No)	Location of the Project		Amount Spent for the project (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR registration number
1	RO Installation project	Making available safe drinking Water	Yes	Karnataka	Ramangara Pali	7.35 Million	Yes	NA	NA

(d) Amount spent in Administrative Overheads:-NA

(e) Amount spent on Impact Assessment, if applicable :NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): 7.35 Million

(g) Excess amount for set off, if any:

Sl. No.	Particulars	Amount (in ₹)
1	2% of average net profit of the company as per section 135(5)	5.73 Million
2	Total amount spent for the financial year	7.35 Million
3	Excess amount spent for the financial year [(ii)-(i)]	1.62 Million
4.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
5.	Amount available for set off in succeeding financial years [(iii)-(iv)]	1.62 Million

9. (a) Details of unspent CSR amount for the preceding three financial years: NA

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year. (Asset-wise details): NA

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s), created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend 2% of the average net profit as per section 135(5) N.A.

Rajendra Gandhi
Managing Director
DIN:01646143

Rajiv Nitin Mehta
CEO and Whole Time Director
DIN: 00697109

Place: Harohalli, Bangalore
Date: August 04, 2022

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 Financial Year 2021-22 is given herein below:

1. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

Stove Kraft Limited (“the Company”) is a value-driven organization 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

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.

As on March 31, 2022, The Board of Directors consists of 6 directors viz., three Independent Directors (Includes One Women Director) and three Non-Independent Directors (Includes One Women Director) which is in conformity with the requirements of Regulation 17 of Listing Regulations.

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	18,269,115	E, P	7/7	Yes	-	-
Mr. Rajiv Nitin Mehta	90,280	E	7/7	Yes	-	-
Mrs. Neha Gandhi	1	E, P	1/7	No	-	-
Mr. Lakshmikanth Gupta	0	NEC, I	7/7	Yes	-	-
Mrs. Shubha Rao Mayya	0	NE, I	7/7	Yes	4	Membership-6 Chairmanship- 2
Mr. Anup Shah Sanmukh	285	ANE, I	3/3	NA	4	Membership-4 Chairmanship- 3

#NEC=Non-ExecutiveChairperson,E=ExecutiveDirector,I=IndependentDirector,NE=Non-ExecutiveDirector,P=Promoter, ANE,I= Additional Non-Executive Independent Director

Note:

- Committee Membership / Chairman of Audit Committee and Stakeholders’ Relationship Committee of Public Companies are considered
- 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
- Based on the declarations received from the Independent Directors, the Board confirms that they meet the criteria of independence as mentioned under SEBI (LODR) Regulations and that they are independent of the management.
- Apart from Mr. Rajendra Gandhi & Mrs. Neha Gandhi, none of the other Directors is related to each other.
- Mrs. Shubha Rao Mayya is a Non-Executive Independent Director in Happiest Minds Technologies Limited (A listed company)
- Mr. Anup Shah Sanmukh appointed as Non-Executive Independent Director of the Company w.e.f. November 02, 2021. He is Non-Executive Independent Director in Purvankarat Limited and Sobha Limited (Listed Companies).
- Mr. Bharat Singh, Non-Executive Director, resigned from the Company w.e.f March 29, 2022.

Core Skills / Expertise / Competencies of the Board of Directors

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.	Mrs. Neha Gandhi		✓	✓	✓	✓	✓
4.	Mr. Anup Shah Sanmukh		✓	✓	✓	✓	✓
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 F.Y 2021-22

During the year under review the Board met 7 times on April 16, 2021, May 25, 2021, July 09, 2021, July 29, 2021, November 02, 2021, January 01, 2022 and February 08, 2022.

4. BOARD COMMITTEES:

A. Audit Committee

Audit Committee comprises of four Directors out of which three directors are Independent Directors. All the members of Audit Committee are financially literate.

The Company Secretary acts as the Secretary of the Committee.

Details of Audit Committee meetings

During the year under review the Audit Committee met six times on April 15, 2021, May 06, 2021, May 24, 2021, July 29, 2021, November 02, 2021 & February 08, 2022.

The Composition of Audit Committee along with the attendance in the Committee is given below:-

Sl. No	Name of the Member	Position held in the Committee	Attended
1	Mrs. Shubha Rao Mayya	Chairperson	6/6
2.	Mr. Lakshmikant Gupta	Member	6/6
3.	Mr. Rajendra Gandhi	Member	6/6
4.	Mr. Anup Shah Sanmukh*	Member	NA

*Mr. Anup Shah Sanmukh was appointed as Member of Audit Committee on February 08, 2022.

Terms of Reference:

- Oversight the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment, and replacement, remuneration, and terms of appointment of the auditors and the fixation of audit fee;
- Reviewing and monitoring the auditor's independence and performance and the effectiveness of audit process;
- Approving payments to the statutory auditors for any other services rendered by statutory auditors;
- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be stated in the Director's responsibility statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements

VI. Disclosure of any related party transactions;

VII. Modified opinions in the draft audit report.

- f) Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- g) Scrutiny of inter-corporate loans and investments;
- h) Valuation of undertakings or assets of the Company, wherever it is necessary;
- i) approval or any subsequent modification of transactions of the listed entity with related parties;
- j) Evaluating internal financial controls and risk management systems; and
- k) 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.

- l) 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 utilization for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- m) Evaluating undertakings or assets of the Company, wherever necessary
- n) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- o) Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;

- p) 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;
- q) Discussion with internal auditors on any significant findings and follow up thereon;
- r) 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;
- s) 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;
- t) 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;
- u) 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;
- v) Reviewing the functioning of the whistle blower mechanism, in case the same is existing;
- w) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore 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;
- x) Carry out other functions as is mentioned in the terms of reference of the audit committee
- y) Carrying out any other functions as provided under the Companies Act, the Listing Regulations and other applicable laws; and To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time.

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 July 29, 2021, November 01, 2021 and February 08, 2022 attended by all the Committee members.

The Stakeholders Relationship Committee comprises of three members out of which 2 directors are Independent Director.

The constitution and attendance details of the NRC as on the date of this Report are as under:

Mr. Lakshmikant Gupta is the Chairperson of Stakeholder Relationship Committee.

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

Shareholder's Grievances:

Complaints received from Investors during the financial year 2021-22 are as under:

Nature of Compliant	Received	Cleared
Clarification regarding shares	5	5
Non Receipt of refund order	16	16
Non receipt of Electronic Credits	2	2
Non receipt of refund order-unblock UPI	9	9
Non receipt of Securities/ Complaint relating to transfer of Shares	1	1
Total	33	33

During the year under review, Mr. Elangovan S has appointed as Company Secretary and Compliance Officer w.e.f May 25, 2021 replacing Mr. Shashidhar SK.

C. Nomination and Remuneration Committee

The Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than two third shall be Independent Directors.

The Nomination and Remuneration Committee comprises of three members.

During the year under review, the Nomination and Remuneration Committee met 4 times i.e. On May 25, 2021, July 29, 2021, November 01, 2021 and December 20, 2021.

The constitution and attendance details of the NRC as on the date of this Report are as under:

Sl. No	Name of the Member	Position held in the Committee	Attended
1.	Mrs. Shubha Rao Mayya	Chairperson	4/4
2.	Mr. Lakshmikant Gupta	Member	4/4
3.	Mr. Bharat Singh*	Member	4/4
4.	Mr. Anup Shah Sanmukh**	Member	NA

*Mr. Bharat Singh, resigned from Company w.e.f March 29, 2022.

**Mr. Anup Shah Sanmukh was appointed as Member of Nomination and Remuneration Committee w.e.f March 30, 2022.

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 performance 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, 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.
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.

Remuneration of Directors

Details of remuneration paid to Directors of the Company for the Financial Year ended March 31, 2022, are as follows:

(₹ in Mil)							
Sl. No.	Name	Sitting Fee	Salary	Perquisite	Commission/ Bonus/ Incentive	Stock Options	Total
1	Mr. Rajendra Gandhi	-	10.60	-	-	-	10.60
2	Mr. Rajiv Nitin Mehta	-	19.89	-	-	9.68	29.57
3	Mrs. Neha Gandhi	-	2.41	-	-	-	2.39
4	Mr. Anup Shah Sanmukh	0.30	-	-	-	-	0.30
5	Mr. Lakshmikant Gupta	2.25	-	-	-	-	2.25
6	Mrs. Shubha Rao Mayya	2.25	-	-	-	-	2.25

Bharat Singh resigned from the Board w.e.f March 29, 2022 and no remuneration was paid to him.

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 during the year except the sitting fee paid to them as detailed above.

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 qualifications, positive attributes, independence of directors, criteria for performance of 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 but not limited participation and contribution by a director,

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 behavior and judgement.

commitment, effective deployment of knowledge and expertise, effective management of relationship with Stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgement.

D. Corporate Social Responsibility Committee

All Corporate Social Responsibility activities carried out with the approval of CSR Committee and Board.

The Composition of the Corporate Social Responsibility Committee comprises of three directors out of which consists of 2 Independent Directors.

During the year under review, the Corporate Social Responsibility Committee met 1 time i.e. On November 01, 2021.

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

The terms of reference of the Corporate Social Responsibility Committee includes:-

1. Formulate and Recommend to the Board, a Corporate Social Responsibility Policy of the Company, including any amendments thereto in accordance with the Schedule VII of the Companies Act, 2013 and the rules made thereunder.

2. Identifying Corporate Social Responsibility Policy partners and Corporate Social Responsibility Policy programmes.
3. Recommending the amount of Corporate Social Responsibility Policy expenditure for the Corporate Social Responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company.
4. Identifying appointing the Corporate Social Responsibility team of the Company including Corporate Social Responsibility manager, wherever required.
5. Delegating responsibilities to the Corporate Social Responsibility team and supervise proper execution of all delegated responsibilities.
6. Reviewing and monitoring the implementation of Corporate Social Responsibility programmes and issuing necessary direction as required for proper implementation and timely completion of Corporate Social Responsibility programmes.
7. Performing such other duties and functions as the Board may require the Corporate Social Responsibility Committee to undertake to promote the Corporate Social Responsibility activities of the Company.

E. Risk Management Committee

The Risk Management Committee has been constituted on May 25, 2021 pursuant to Regulation of 21 of SEBI (LODR).

The RMC consists of five members of which three are Independent Directors.

6. GENERAL BODY MEETINGS

Annual General Meeting

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

AGM	Financial Year	Day, Date & Time	Venue	Brief description of Special Resolutions
22 nd	2020-21	Tuesday, August 31, 2021 at 11:00 A.M.	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")	<ol style="list-style-type: none"> 1. Approval of remuneration payable to Mr. Rajendra Gandhi, Managing Director and Mrs. Neha Gandhi, Executive Director of the Company. 2. Approval amendments in Employee Stock Option Scheme, 2018
21 st	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
20 th	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

Risk Management Committee met twice during the year on November 01, 2021 and February 08, 2022.

Composition of the Risk Management Committee is as follows:-

Sl. No	Name of the Member	Position held in the Committee	Attended
1.	Mr. Rajiv Nitin Mehta	Chairperson	2/2
2.	Mr. Rajendra Gandhi	Member	2/2
3.	Mr. Lakshmikant Gupta	Member	2/2
4.	Mrs. Shubha Rao Mayya	Member	2/2
5.	Mr. Anup Shah Sanmukh*	Member	NA

*Mr. Anup Shah Sanmukh was appointed as Member of the Committee on February 08, 2022.

**Mr. Shashidhar SK and Mr. Bharat Singh resigned from Company as well as from the Risk Management Committee as Members w.e.f December 20, 2021 and March 29, 2022 respectively.

The Role of Risk Management Committee includes Assessment of Risk, Identification of Risk which may threaten existence of the Company, Review the Risk Management Framework, Risk Policy and report to the Board periodically the risk status of key elements of risk.

5. CONFIRMATION BY THE BOARD OF DIRECTORS-ACCEPTANCE OF RECOMMENDATION OF MANDATORY COMMITTEES

In terms of the amendments made to SEBI Listing Regulations, the Board of Directors confirms that during the year, it has accepted all the recommendations received from its mandatory Committees.

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.

7. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The familiarization programme imparted to Independent directors is displayed on Company's website and can be accessed at https://stovekraft.com/wp-content/uploads/2022/05/SKL_Familiarisation-programme-1.pdf

8. 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 on 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://stovekraft.com/wp-content/uploads/2022/03/Whistle-Blower-Policy-1.pdf>.

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

9. 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

10. 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 year 2021-22 that are prejudicial to the interest of the Company.

The policy on dealing with related party transactions can be accessed at <https://stovekraft.com/wp-content/uploads/2022/02/RPT-Policy.pdf>

11. DIVIDEND DISTRIBUTION POLICY

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated Dividend Distribution Policy which inter-alia, lays down the various parameters relating to declaration/recommendation of dividend. The policy is available on the Company's website at <https://stovekraft.com/wp-content/uploads/2022/03/Dividend-Distribution-policy-2.pdf>

12. OTHER POLICIES

The Company has formulated other policies as required under Companies Act, 2013 and SEBI (LODR) Regulation 2015 and the same have been disclosed on Company Website: <https://www.stovekraft.com/investors/>

13. PREVENTION OF 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 has not received any complaint during the year.

14. DISCLOSURE UNDER SCHEDULE V(F) OF THE SEBI(LODR) REGULATIONS, 2015

Your Company does not have shares in the demat Suspense Account or unclaimed Suspense account.

15. MEANS OF COMMUNICATION:

The Board of Directors believes that effective communication of information is an essential component of Corporate Governance. The company regularly interacts with the Shareholders through multiple channels of communication such as Results announcement, Annual report, Media release, Company's website and specific communications to Stock Exchanges, where the Company's Shares are listed.

During the quarterly results, Director, CEO and CFO, make presentations to institutional investors, analysts and other investors. The presentations are made available on the website of Company and Stock Exchanges.

- Outcome of Board Meeting and Financial Results:**
 The outcome of the Board Meeting, quarterly and annual financial results are sent to Stock Exchanges immediately after the Board approval.
- Newspapers wherein results are normally published:**
 The Quarterly, Half yearly and Annual financial results are also available in Company web-site i.e., <https://www.stovekraft.com/investors/>. The quarterly and annual financial results are published in widely circulated national newspapers such as Economic Times (English) and Vijaya Karnataka (Kannada). The Company's announcement and outcome of the investors meet are also published in Company website.
- Website:**
 The Company has in place a website <https://stovekraft.com/>. This website contains the basic information about the Company, viz., details of its business, financial information, shareholding pattern, contact information of the designated officials of the Company, who are responsible for assisting and handling investor grievances, such other details as may be required under the Regulation 46 of the Listing Regulations. The Company ensures that the contents of this website are updated within the due timeline.
- Press Release & Investor/Analyst Meet:**
 Company updates all the Press Release and Presentations if any made to the Institutional Investors/Analysts at the company website.

16. 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)	L29301KA1999PLC025387
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 date, time and venue;	September 12, 2022 at 11:00 A.M. through Video Conferencing Mode
Financial year	1st April to 31st March
Financial Calendar	2022-23
Financial Reporting	Board Meetings for approval of financial results and annual accounts: Q1 2022-23 : July-August 14, 2022 Q2 2022-23: October-November 14, 2022 Q3 2022-23: January-February 14, 2023 Q4 2022-23: April-May 30, 2023
Share Registrar and Transfer Agents	KFin Technologies 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	Harohalli, Bengaluru, Karnataka Baddi, Himachal Pradesh

17. DISTRIBUTION SCHEDULE OF SHAREHOLDINGS AS ON MARCH 31, 2022

No. of equity shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 - 5000	47395	99.65	3783994	11.51
5001 - 10000	84	0.18	570004	1.73
10001 - 20000	33	0.07	442658	1.35
20001 - 30000	14	0.03	354597	1.08
30001 - 40000	3	0.01	109004	0.33
40001 - 50000	4	0.01	191947	0.58
50001 - 100000	11	0.02	812434	2.47
100001 and above	19	0.04	26493229	80.94

18. SHAREHOLDING PATTERN AS ON MARCH 31, 2022

Category	No. of Shareholders	No. of shares held	% to total No. of shares
Promoters	3	1,84,69,116	56.3807
Bodies corporates	338	19,45,782	5.9399
Resident individuals	45,739	58,30,532	17.7989
Foreign portfolio – corp	17	27,48,640	8.3908
Mutual funds	3	28,99,598	8.8516
Alternative investment fund	2	1,58,309	0.4833
HUF	722	1,87,237	0.5716
Trusts	3	1,39,509	0.4259
Clearing members	69	1,50,983	0.4609
Non Resident Indians	423	97,300	0.297
Non Resident Indian non repatriable	231	1,10,399	0.337
Employees	12	20,015	0.0611
Foreign Portfolio Investor	1	447	0.0014
Total	47,563	3,27,57,867	100.00

Note:

Sl. No	Particulars	Shares
1.	Total No of Equity Shares as on march 31, 2022	3,28,67,867
2.	Shareholding Pattern filed with Stock Exchanges for the Quarter ended March 31, 2022	3,27,57,867
3.	Difference (1-2)	1,10,000

Explanation for above mentioned difference of 1,10,000 Equity Shares:

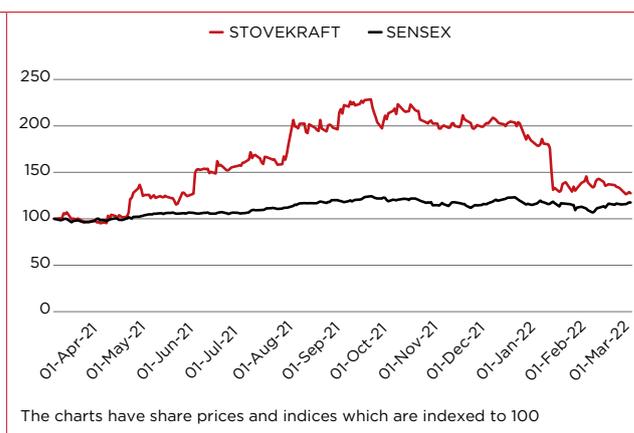
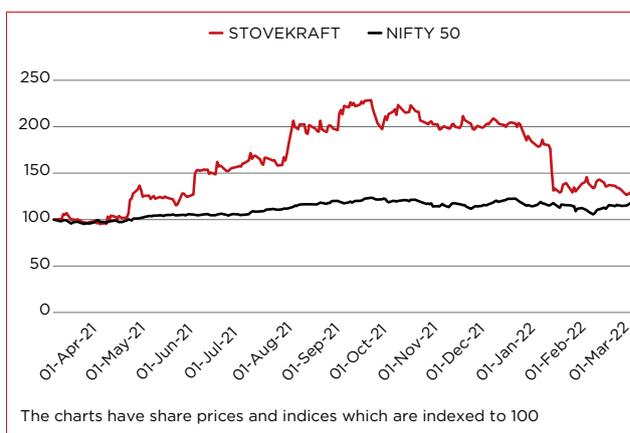
- The Company allotted 1,10,000 ESOP Shares on March 21, 2022 and filed PAS-3 with MCA
- Such shares were pending for trading approval with the BSE and NSE as on March 31, 2022.
- The Company has made an application to NSE and BSE in the month of April 2022, seeking trading approval for 1,10,000 Equity Shares of ₹10/- each under Stove Kraft Employee Stock Option Plan, 2018.
- The Company allotted 1,10,000 ESOP Shares on March 21, 2022 and filed PAS-3 with MCA.
- On April 07, 2022, the trading approval was granted by BSE and NSE for 1,10,000 Shares.

19. MARKET PRICE DATA INFORMATION (BSE & NSE)

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 April 2021 to March 2022 are as under:

Month	BSE		NSE	
	High	Low	High	Low
April 2021	520.00	455.55	521	455.40
May 2021	684.40	400.00	683.70	450.95
June 2021	786.55	541.2	786.65	547
July 2021	813.25	706.55	813.90	705.25
August 2021	1017	734.3	1017.70	733.20
September 2021	1067.2	915.1	1067.70	915
October 2021	1134.85	889.6	1133.70	886.40
November 2021	1086	915	1085	911
December 2021	1064.6	927.85	1065	936.55
January 2022	1040	849.9	1038.65	854.50
February 2022	916.5	601	917.65	601.10
March 2022	710.15	602	710.90	590.30

20. SHARE PRICE MOVEMENT



21. DEMATERIALIZATION 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'). 3,28,67,867 of the Company's shares are held in electronic/ demat form as on March 31, 2022, the number of shares held in dematerialized and physical mode are as under:

No. of shares in dematerialized form in CDSL*	2,12,14,531
No. of shares in dematerialized form in NSDL	1,16,53,335
No. of shares in Physical	1
Total no. of shares	3,28,67,867

*Note

The Company allotted 1,10,000 Equity Shares of ₹10/- each under ESOP on March 21, 2022 and the said Shares are pending for listing as on March 31, 2022. Such shares has been added in CDSL.

22. OUTSTANDING GDRS/ADRS/WARRANTS

The Company has not issued GDRs/ ADRs/ Warrants as on March 31, 2022.

23. 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.

24. COMPLIANCE CERTIFICATE BY CEO AND CFO

As required under Regulation 17(8) of SEBI(LODR) Regulations, CEO/CFO have certified to the Board that the Financial Statements for the Financial year ended March 31, 2022 do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs and other matters as specified thereunder.

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

A Certificate on Corporate Governance obtained from M/s. 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.

such statutory authority in accordance with Listing Regulations and Certificate is enclosed at the end of this Report.

26. 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

27. 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.

28. 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 (INR million)
1.	statutory audit	4.60
2.	Out-of-pocket expense	1.50
Total		6.10

29. LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS/COMPANIES IN WHICH DIRECTORS ARE INTERESTED

Company has not advanced made any Loans/Advances to Firms/Companies in which directors are interested.

30. 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 Million)	Paid
Regulation 19	The Chairman of Nomination and Remuneration Committee is also the Chairman of the Board	March 31, 2021	NSE	0.1298	Yes
			BSE	0.1298	Yes
		June 30, 2021	NSE	0.12744	Yes
			BSE	0.12744	Yes

31. 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 (Year under review)	Previous Rating (year under review)
Long Term Rating	[ICRA]A-(Positive)	[ICRA] A-(Stable)
Short Term Rating	[ICRA] A2+(Positive)	[ICRA] A2+(Stable)

adoption of Non-mandatory / Discretionary requirements are detailed as under:

DISCLOSURE RELATING TO ADOPTION OF DISCRETIONARY REQUIREMENTS

- The Board: The Company has Non- Executive Chairman.
- Shareholders Right: The Company does not mail the Unaudited Quarterly 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 www.Stovekraft.com. Annual Audited Financial Results are taken on record by the Board and then published in newspapers as aforesaid and also

32. 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

communicated to the Shareholders through the Annual Report.

- (c) Modified Opinion(s) in Audit Report: The financial statements of the Company are unmodified.
- (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 Auditor reports to the Audit Committee.

33. 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 regularized 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, 2022, 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. It is also confirmed that Code of Conduct has already been posted on the website of the Company.

Place: Harohalli, Bangalore
Date : August 04, 2022

Rajendra Gandhi
(Managing Director)
DIN: 01646143

Rajiv Mehta Nitin
(CEO & Whole Time Director)
DIN: 00697109

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Stove Kraft Limited
CIN: L29301KA1999PLC025387
81/1, Medamarana Halli Village
Harohalli Hobli, Kanakapura Taluk
Ramanagar Dist 562112

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Stove Kraft Limited having CIN - L29301KA1999PLC025387 and having registered office at 81/1, Medamarana Halli Village, Harohalli Hobli, Kanakapura Taluk, Ramanagar - 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, 2022 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.	Mr. Rajendra Gandhi	01646143	Executive Director, Managing Director
2.	Ms. Neha Gandhi	07623685	Executive Director
3.	Mr. Rajiv Nitin Mehta	00697109	Executive Director, CEO
4.	Mr. Lakshmikant Gupta	07637212	Chairperson, Non-Executive - Independent Director
5.	Ms. Shubha Rao Mayya	08193276	Non-Executive - Independent Director
6.	Mr. Anup Shah Sanmukh	00317300	Non-Executive - Independent 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 30, 2022
Place: Bangalore
UDIN No: F007834D000436339

Pramod S M
Partner
FCS 7834 / CP No. 13784

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
Members of
Stove Kraft Limited
CIN: L29301KA1999PLC025387
81/1, Medamarana Halli Village
Harohalli Hobli, Kanakapura Taluk
Ramanagar Dist 562112

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, 2021 to March 31, 2022. 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 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

Date: August 04, 2022
Place: Bangalore
UDIN: F007834D000739796

Pramod S M
Partner
FCS 7834 / CP No. 13784

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	L29301KA1999PLC025387
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	F.Y 2021-22
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	2710, 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, Switches and Modular Kitchen and Furniture.
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 million)

1. Paid up Capital (INR Million)	328.6787
2. Total Turnover (INR Million)	11,363.59
3. Total profit after taxes and OCI (INR Million)	562.15
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	7.350
5. List of activities in which expenditure in 4 above has been incurred	RO Installation Project

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 aluminum circle and are non-stick coated or hard anodized. 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 a 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 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:

Our Company has invested around ₹ 223.90 million on Solar & Wind Turbine which is expected to generate 10 mn Units in a year for Captive utilization. This will take care of 40% of total annual power requirement of the Company. This will help our Company to reduce Additional 5,000 Carbon Footprints.

We have utilized 72.73% i.e. 10.97 Lacs Units equivalent to of power from renewable sources like Wind & Solar through a power purchase agreement with Power Generators under Captive, Group Captive & Non Captive arrangements. This has helped the Company to reduce 5,632 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 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 Bangalore factory for charging ground water to restore ground water 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 Aluminum 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 UPTO THE PREVIOUS YEAR

- Use of bio compostable plastic bags
- Digitization of process Critical to Quality parameters.
- State of art Stainless Steel pressure cooker line to help us in introducing new products.
- 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
- Installation of new coating line in RC which has improved productivity and reduce process rejection.
- Implemented Glasslid & rubber gasket unit in-house, to reduce dependency from China and of vendors, standardized 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 our import of ICT from China.

IMPROVEMENTS DURING THE CURRENT YEAR:

- We are planning to commission ERC (Electric Rice Cooker) to reduce our dependency on vendors Outside India.
- We are planning to commission Stainless Steel Bottle and Flasks to reduce our dependency on vendors Outside India.

- We are undertaking modernized our Master WH with HD Racks (Shuttle racking system) in Bangalore 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?

About 70% of our inputs are sourced sustainable. We have established vendors both within and outside India. We also have back up list of vendors in case of inability of any of the existing suppliers. A sustainable procurement policy is in place. Commissioned and productionised soft touch handle coating line to produce up to 5,000 per day. This has reduced our import of the handle import substitution. We have also commissioned PCB for LED Bulbs, ICT, Mops, LED Batten & bulbs and completely stopped import of these FG.

Productionised the Joy mop, Kettles, Handy Choppers & completely stopped import of one model.

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?

Yes, 15-20% of total procurement spends including goods and services are from local SMEs, traders, service providers, Procurement Division has multiple supplier engagement programmes for improving the capacity and capability of strategic suppliers including local.

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.
4205 permanent

Please indicate the Total number of employees hired on temporary/ contractual/casual basis - **211**

Please indicate the Number of permanent women employees: **1960**

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: **100%**
- Permanent Women Employees: **100%**
- Casual/Temporary/Contractual Employees: **100%**
- Employees with Disabilities: **NIL**

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 & marginalized stakeholders?

The Company is an Equal Opportunity employer, none of the categories is marginalized. 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 marginalized 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

Please indicate the Number of permanent employees with disabilities: **NIL**

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

NIL

What percentage of your permanent employees is members of this recognized employee association?

NIL

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 have installed 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 organization?

The projects which we fund are undertaken by in-house team

Have you done any impact assessment of your initiative? Yes What is your company's direct contribution to community development projects- Amount in INR 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 behavior 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 financial statements

OPINION

1. We have audited the accompanying financial statements of Stove Kraft Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the “Auditor’s Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Estimate of rebates and discounts</p> <p>(Refer note 26 of the financial statements)</p> <p>The Company sells its products through various channels like modern retail, general trade (retailers), ecommerce, exports, etc., with discounts based on the agreed schemes and recognises liabilities related to rebates and discounts.</p> <p>As per the accounting policy of the Company, the revenue is adjusted for rebates, discounts etc. as per the terms of the schemes and sales returns. The management makes significant estimates in determining the rebates/ discounts linked to sales, which are offered to the customers.</p> <p>The matter has been determined to be a key audit matter in view of the involvement of significant estimates and judgement made by the management and the amount of such discounts and rebates for the year being significant.</p>	<p>Our procedures included the following</p> <ul style="list-style-type: none"> • Obtained an understanding from the management with regard to controls relating to recording of rebates, discounts and provision for sales returns, and evaluated the design and tested the operating effectiveness of such controls. • Obtained an understanding of the schemes provided by the Company to its customers . • For selected sample schemes: <ul style="list-style-type: none"> - Verified the inputs used in the estimation of rebates and discounts to source data; - Assessed the underlying assumptions used for determination of rebates, discounts and sales returns; - Assessed the completeness of liability recognised by evaluating the parameters and the underlying calculations. - Tested credit notes issued to customers and payments made to them during the year and subsequent to the year end. <p>Based on the above procedures performed, the assessment made by management in respect estimation of rebates, discounts and sales returns was considered to be appropriate.</p>

OTHER INFORMATION

5. 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, Board's Report, Corporate Governance Report and Shareholder Information ("Other information") but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.
6. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
8. When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

9. 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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

10. In preparing the 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 RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

11. Our objectives are to obtain reasonable assurance about whether the 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 financial statements.
12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the 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 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 with reference to financial statements 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
13. 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.
14. 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.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report

unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

16. The standalone financial statements of the Company for the year ended March 31, 2021, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 25, 2021, expressed an unmodified opinion on those financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

17. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
18. As required by Section 143(3) of the Act, 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 Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 43 to the financial statements;
 - ii. The Company has long-term contracts including derivative contracts as at March 31, 2022 for which there were no material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 51 to the financial statements);
 - (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 51 to the financial statements); and
 - (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. The Company has not declared or paid any dividend during the year.
19. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price **Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Mohan Danivas S A
Partner

Date: May 30, 2022
Place: Bengaluru

Membership Number: 209136
UDIN: **22209136AJVQNE1262**

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

Referred to in paragraph 18(f) of the Independent Auditor’s Report of even date to the members of Stove Kraft Limited on the financial statements for the year ended March 31, 2022

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

1. We have audited the internal financial controls with reference to financial statements of Stove Kraft Limited (“the Company”) as of March 31, 2022, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) issued by the Institute of Chartered Accountants of India (“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 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 Act.

AUDITOR’S RESPONSIBILITY

3. Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 with reference

to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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.
5. 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 with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

6. A company’s internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 WITH REFERENCE TO FINANCIAL STATEMENTS

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of

compliance with the policies or procedures may deteriorate.

OPINION

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Price **Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Mohan Danivas S A
Partner

Date: May 30, 2022
Place: Bengaluru

Membership Number: 209136
UDIN: **22209136AJVQNE1262**

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

Referred to in paragraph 17 of the Independent Auditors’ Report of even date to the members of Stove Kraft Limited on the financial statements as of and for the year ended March 31, 2022 Page 1 of 7

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items 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 programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3(a) to the financial statements, are held in the name of the Company. [Also refer Note 51(x) to the financial statements]
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and
- Equipment (including Right of Use assets) or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. (a) The physical verification of inventory excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory, and have been appropriately dealt with in the books of account.
- (b) During the year, the Company has been sanctioned working capital limits in excess of ₹5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the books of account other than those as set out below (Also refer Note 49 to the financial statements)

Quarter ended	Name of the bank	Amount as per books of account	Amount as reported in the quarterly statement	Amount of difference	Reasons for material discrepancies
September 2021	HDFC Bank, ICICI Bank and Axis Bank	1,761.12	1,657.40	103.72	The difference is mainly attributable to certain trade receivable balances which were not included in the statement filed with the bank.
March 2022		2,170.17	2,305.20	(135.03)	The net difference is mainly attributable to inventory in-transit which has been considered in inventory but not been considered in liabilities component.

- iii. The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, professional tax and income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of employees' state insurance, professional tax, sales tax, duty of excise, cess and goods and services tax which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Gross Amount (₹)	Amount paid under protest	Period to which the amount relates	Forum where the dispute is pending
The Central Sales Tax Act, 1956	Central Sales Tax	2,091,901	-	2016-17	Asst. Commissioner Delhi
Custom Duty Act, 1962	Customs Duty	4,007,495	4,007,495	2017-18	Commissioner (Appeals)
Finance Act, 1994	Service Tax	4,554,978	-	2010-11	Commissioner (Appeals)
Finance Act, 1994	Service Tax	5,474,969	-	2010-11 & 2011-12	Appellate Tribunal, CESTAT
Finance Act, 1994	Service Tax	8,043,395	804,339	2011-12 and 2012-13	Additional Commissioner of Central Excise
Finance Act, 1994	Service Tax	11,963,828	-	2006-07 and 2010-11	Appellate Tribunal, CESTAT
Finance Act, 1994	Service Tax	7,026,889	-	2013-14 & 2014-2015	Additional Commissioner of Central Excise
KVAT Act, 2003	Value Added Tax	40,859	-	2014-15	Deputy Commissioner of Commercial Taxes (Audit) Bangalore
Tamil Nadu Value Added Tax Act, 2006	Value Added Tax	2,230,417	2,230,417	2011-12, 2013-14, 2014-15 and 2015-16	Commissioner Tax office Washermenpet-I Chennai
Kerala Value Added Tax Act, 2003	Value Added Tax	7,201,396	670,054	2012-13	Deputy Commissioner (GST) Perumbavoor
Gujarat Value Added Tax Act, 2003	Value Added Tax	460,353	392,500	2013-14	Deputy Commissioner of Commercial Taxes
Income Tax Act, 1961	Income tax	6,750,600	-	2021-22	Commissioner of Income Tax (Appeals)
The Employee Provident Funds and Miscellaneous Provisions Act, 1952	Provident fund	9,380,000	2,815,788	2007-11	EPF Appellate Tribunal

- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained. [Also refer Note 51(x) to the financial statements]
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Accordingly, the reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.
- xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial/ housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 45 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- xx. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable as the accompanying financial statements are not consolidated financial statements.

For Price **Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

Mohan Danivas S A
Partner

Date: May 30, 2022 Membership Number: 209136
Place: Bengaluru UDIN: **22209136AJVQNE1262**

Balance Sheet

(Amount in Rupees Millions, unless otherwise stated)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Assets			
Non-current assets			
Property, plant and equipment	3(a)	3,093.79	2,176.91
Capital work-in-progress	3(b)	92.22	190.97
Intangible assets	3(c)	29.54	31.66
Financial assets			
i. Investments	4	-	-
ii. Other financial assets	5	81.95	53.12
Current tax asset (Net)	6	2.15	3.57
Deferred tax asset	7	31.76	-
Other non-current assets	8	206.76	97.84
Total non-current assets		3,538.17	2,554.07
Current assets			
Inventories	9	2,174.12	1,560.09
Financial assets			
i. Trade receivables	10	966.99	847.24
ii. Cash and cash equivalents	11(a)	4.05	294.53
iii. Bank balances other than cash and cash equivalents above	11(b)	116.48	78.94
iv. Loans	12	0.38	5.20
v. Other financial assets	13	15.12	29.46
Other current assets	14	469.28	340.19
Total current assets		3,746.42	3,155.65
Total Assets		7,284.59	5,709.72
Equity and liabilities			
Equity			
Equity share capital	15(a)	328.68	325.90
Other equity	15(b)	3,311.42	2,700.92
Total equity		3,640.10	3,026.82
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	16	152.54	206.63
ii. Suppliers credit	17(a)	189.63	-
iii. Other financial liabilities	18	-	171.24
Provisions	19	62.49	62.51
Total non-current liabilities		404.66	440.38
Current liabilities			
Financial liabilities			
i. Borrowings	20	630.99	318.76
ii. Suppliers credit	17(b)	578.61	47.16
iii. Trade payables	21		
(a) total outstanding dues of micro enterprises and small enterprises		62.88	59.46
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		1,210.94	1,465.52
iv. Other financial liabilities	22	278.61	68.88
Provisions	23	54.25	30.81
Current tax liabilities (net)	24	3.51	-
Other current liabilities	25	420.04	251.93
Total current liabilities		3,239.83	2,242.52
Total Liabilities		3,644.49	2,682.90
Total Equity And Liabilities		7,284.59	5,709.72

The accompanying notes are an integral part of these financial statements.

This is the Balance Sheet referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
For and on behalf of the Board of Directors

Firm Registration Number: 012754N/N500016

Mohan Danivas S A

Partner

Membership Number : 209136

Rajendra Gandhi

Managing Director

DIN: 01646143

Rajiv Nitin Mehta

CEO and Whole Time Director

DIN: 00697109

Balaji A S

Chief Financial Officer

Elangovan S

Company Secretary

Membership Number : A39753

Place : Bengaluru

Date : May 30, 2022

Place : Bengaluru

Date : May 30, 2022

Statement of Profit and Loss

(Amount in Rupees Millions, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Revenue from operations	26	11,363.59	8,589.57
Other income	27(a)	5.77	10.54
Other gains / (losses) - net	27(b)	(21.43)	(5.53)
Total income		11,347.93	8,594.58
Expenses			
Cost of materials consumed	28	7,026.35	4,424.23
Purchase of stock in trade	29	1,108.80	1,251.90
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	(401.02)	(93.72)
Employee benefits expense	31	1,123.79	806.17
Depreciation and amortization expense	32	197.22	142.35
Allowance for expected credit loss / impairment of financial assets	33	133.23	40.39
Other expenses	34	1,424.05	1,023.13
Finance cost	35	110.11	188.29
Total expenses		10,722.53	7,782.74
Profit before tax		625.40	811.84
Income tax expense	48		
Current tax		95.01	-
Deferred tax		(31.76)	-
Total tax expense		63.25	-
Profit for the year		562.15	811.84
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans - gains / (losses) (net)		(1.66)	23.29
Income tax impact		-	-
Total other comprehensive income for the year, net of taxes		(1.66)	23.29
Total comprehensive income for the year		560.49	835.13
Earnings per share			
Basic (in ₹) (Face value of ₹ 10 each)	39	17.21	26.61
Diluted (in ₹) (Face value of ₹ 10 each)	39	16.96	26.25

The accompanying notes are an integral part of these financial statements.
This is the Statement of Profit and Loss referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP

For and on behalf of the Board of Directors

Firm Registration Number: 012754N/N500016

Mohan Danivas S A

Partner

Membership Number : 209136

Rajendra Gandhi

Managing Director

DIN: 01646143

Rajiv Nitin Mehta

CEO and Whole Time Director

DIN: 00697109

Balaji A S

Chief Financial Officer

Elangovan S

Company Secretary

Membership Number : A39753

Place : Bengaluru
Date : May 30, 2022

Place : Bengaluru
Date : May 30, 2022

Statement of Cashflows

(Amount in Rupees Millions, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Cashflow from operating activities			
Profit before tax		625.40	811.84
Adjustments for :			
Depreciation and amortisation expense	32	197.22	142.35
Allowance for expected credit loss / impairment of financial assets	33	133.23	40.39
Liability no longer required written back	27(a)	-	(1.84)
Interest income	27(a)	(2.63)	(4.77)
(Profit) / loss on fair valuation of derivative instruments - net	27(b)	(3.59)	(0.66)
(Profit) / loss on sale of property, plant and equipments - net	27(b)	16.65	(0.51)
Share of Profit from investment in partnership firm	27(b)	-	(2.82)
Loss on investment in partnership firm	34	-	2.69
Finance cost / interest expense	35	104.79	181.03
Unrealised exchange (gain)/loss on foreign currency transactions and translation (net)		2.47	(0.93)
Employees share based expense	31	11.00	12.63
Operating cash profit before changes in working capital		1,084.54	1,179.40
Movement in working capital			
(Increase) / decrease in inventories		(614.03)	(394.15)
(Increase) / decrease in trade receivables		(253.03)	143.34
(Increase) / decrease in other financial assets		32.29	(13.08)
(Increase) / decrease in other assets		(138.12)	(139.50)
Increase / (decrease) in other financial liabilities		(11.36)	(0.84)
Increase / (decrease) in trade payables		(253.57)	14.68
Increase / (decrease) in other current liabilities		168.11	203.58
Increase / (decrease) in provisions		21.76	37.02
Cash generated from operations		36.59	1,030.45
Net income taxes (paid) / refund received		(90.08)	(1.46)
Net cash generated from / (used in) operating activities (A)		(53.49)	1,028.99
Cashflow from investing activities			
Payment for property, plant and equipment		(1,119.60)	(633.64)
Proceeds from sale of property, plant and equipment		39.69	2.91
Interest received on bank deposits		5.37	1.59
Drawings from partnership firm		-	9.42
Investment in margin money deposit with banks (net)	11(b)	(78.65)	(35.16)
Net cash generated from / (used in) investing activities (B)		(1,153.19)	(654.88)
Cashflow from financing activities			
Proceeds from long-term borrowings	16	-	267.89
Repayment of long-term borrowings	16	(16.82)	(332.33)
Proceeds received under supplier financing arrangement (net of payments)		721.08	47.16
Proceeds from issues of shares (net of share issue expenses)		41.77	918.34
Proceeds / (repayment) from short-term borrowings (net)	20	276.29	(922.62)
Payment of lease liabilities		-	(2.49)
Interest paid		(106.12)	(199.45)
Net cash generated from / (used in) financing activities (C)		916.20	(223.50)

Statement of Cashflows

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

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Net Increase / (decrease) in cash & cash equivalents (A+B+C)		(290.48)	150.61
Cash and cash equivalents at beginning of the year	11(a)	294.53	143.92
Cash and cash equivalents at the end of the year	11(a)	4.05	294.53
Reconciliation of cash and cash equivalents			
Cash and cash equivalents as at the year end comprises of :			
(a) Cash on hand	11(a)	0.71	0.59
(b) Balances with banks: in current accounts	11(a)	3.34	293.94
Total		4.05	294.53

The accompanying notes are an integral part of these financial statements.
This is the Statement of Cashflows referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP

For and on behalf of the Board of Directors

Firm Registration Number: 012754N/N500016

Mohan Danivas S A

Partner

Membership Number : 209136

Rajendra Gandhi

Managing Director

DIN: 01646143

Rajiv Nitin Mehta

CEO and Whole Time Director

DIN: 00697109

Balaji A S

Chief Financial Officer

Elangovan S

Company Secretary

Membership Number : A39753

Place : Bengaluru

Date : May 30, 2022

Place : Bengaluru

Date : May 30, 2022

Statement of Changes in Equity

(Amount in Rupees Millions, unless otherwise stated)

Equity share capital

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	325.90	247.17
Changes in equity share capital during the year		
Add: Exercise of vested stock options	2.78	1.27
Add: Fresh issue of equity shares pursuant to public issue	-	24.68
Add: Conversion of Compulsorily Convertible Debentures (CCDs) into equity shares	-	52.78
Closing balance	328.68	325.90

Other equity

Particulars	Notes	Reserves and Surplus			Total other equity
		Retained earnings	Securities Premium	Share options outstanding account	
Opening Balance as at April 01, 2020	15(b)	(1,936.90)	1,094.37	8.61	(833.92)
Profit for the year		811.84	-	-	811.84
Securities Premium on issue of shares		-	2,737.82	-	2,737.82
Share issue expenses		-	(50.74)	-	(50.74)
Remeasurement of defined benefit obligation [gain/(loss)]	37	23.29	-	-	23.29
Reclassification upon exercise of options during the year		-	4.10	(4.10)	-
Employee stock option expense	31	-	-	12.63	12.63
Closing Balance as at March 31, 2021		(1,101.77)	3,785.55	17.14	2,700.92
Opening Balance as at April 01, 2021		(1,101.77)	3,785.55	17.14	2,700.92
Profit for the year		562.15	-	-	562.15
Securities Premium on issue of shares		-	39.01	-	39.01
Remeasurement of defined benefit obligation [gain/(loss)]	37	(1.66)	-	-	(1.66)
Reclassification upon exercise of options during the year		-	9.87	(9.87)	-
Employee stock option expense	31	-	-	11.00	11.00
Closing Balance as at March 31, 2022	15(b)	(541.28)	3,834.43	18.27	3,311.42

The accompanying notes are an integral part of these financial statements.

This is the Statement of Changes in Equity referred to in our report of even date.

For Price Waterhouse Chartered Accountants LLP
For and on behalf of the Board of Directors

Firm Registration Number: 012754N/N500016

Mohan Danivas S A

Partner

Membership Number : 209136

Rajendra Gandhi

Managing Director

DIN: 01646143

Rajiv Nitin Mehta

CEO and Whole Time Director

DIN: 00697109

Balaji A S

Chief Financial Officer

Elangovan S

Company Secretary

Membership Number : A39753

Place : Bengaluru

Date : May 30, 2022

Place : Bengaluru

Date : May 30, 2022

Notes to Financial Statements

(Amount in Rupees Millions, 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", "Pigeon LED" and "Gilma". The Company also possesses a licensing agreement with Stanley Black & Decker on certain categories of appliances.

The Corporate Identification Number (CIN) on the Company is L29301KA1999PLC025387.

The Financial Statements are approved for issue by the Company's Board of Directors as on May 30, 2022.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

(i) Compliance with Ind AS

These financial Statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The Financial Statements have been prepared on the historical cost basis except for the following:

- certain financial assets and liabilities (including derivative instruments) and share based payments that are measured at fair values at the end of each reporting year.
- on transition to Ind AS as at April 1, 2017, the company elected to consider the fair value of all of its property, plant and equipment and intangible assets in its opening Ind AS Balance Sheet as deemed cost of property, plant and equipments.

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

(iii) New and amended standards adopted by the Company

The company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116.
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iv) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.

(v) Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021.

Consequent to above, the company has changed the classification/presentation of current maturities of long-term borrowings, in the current year.

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

The current maturities of long-term borrowings (including interest accrued) has now been included in the "Current borrowings" line item. Previously, current maturities of long-term borrowings and interest accrued were included in 'other financial liabilities' line item.

The company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below:

Balance Sheet (extract)	March 31, 2021 (as previously reported)	Increase/ (Decrease)	March 31, 2021 (Restated)
Other financial liabilities (current)	89.67	(20.79)	68.88
Current Borrowings	297.97	20.79	318.76

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

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

The Company sells its products to its customers with a right of return within the provided return period. When such customers have a right to return the product the Company recognises a refund liability and an asset (via right to recover returned goods).

(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.

2.3 Property, Plant and Equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

On transition to Ind AS as at April 1, 2017, the company elected to consider the fair value of all of its property, plant and equipment in its opening Ind AS Balance Sheet as deemed cost of property, plant and equipments.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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 estimate, 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)
Buildings	10 to 30 years
Plant and machinery	5 to 25 years
Furniture and fixtures	10 years
Lease hold improvements	5 years
Computers	3 to 6 years
Office Equipments	5 to 10 years
Vehicles	8 years

Leasehold improvements are depreciated over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term.

The useful lives have been determined based on technical evaluation done by the management's expert which are higher or lower than those specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in statement of profit and loss within other gains/(losses).

2.4 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization 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.

On transition to Ind AS as at April 1, 2017, the company has elected to consider the fair value of all of its intangible assets in its opening Ind AS Balance Sheet as deemed cost of intangible assets.

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

Asset	Useful life (in 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.

2.5 Inventories

Raw materials and stores, work in progress, traded and finished goods are stated at the lower of weighted average cost or net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted average cost. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

expenditure, the latter being allocated on the basis of normal operating capacity. Costs of purchased inventory are determined after deducting rebates and discounts.

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

2.6 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 (FVTPL) are recognised immediately in statement of profit and loss.

A Investments and other financial assets:

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that

are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVTOCI).

(ii) Recognition

Regular way purchases and sales of financial assets are recognised on trade-date, being the date on which the Company commits to purchase or sell the financial asset.

(iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Company measures all equity investments at fair value. Where the management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gains / (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

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(Amount in Rupees Millions, unless otherwise stated)

(iv) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 36.5 details how the group determines whether there has been a significant increase in credit risk.

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.

For trade receivables, the Company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(v) Derecognition of financial assets

A financial asset is derecognised only when:

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the

financial asset, the financial asset is derecognised if it has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(vi) Income recognition

Interest Income:

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at fair value through other comprehensive income is calculated using the effective interest method and is recognised in the statement of profit and loss as part of other income. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Dividends:

Dividends are received from financial assets at fair value through profit and loss and at fair value through other comprehensive income. Dividends are recognised as other income in profit and loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of the investment.

(vii) 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.

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

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.

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.

(viii) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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,

Notes to Financial Statements

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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 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.

F 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.

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

2.7 Foreign Currency transactions and translations

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Stove Kraft Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit and loss.

Foreign exchange differences arising on foreign currency borrowings (if any) are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit and loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as at fair value through other comprehensive income are recognised in other comprehensive income.

2.8 Employee Benefits

A Short-term employee benefit obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

B Long-term employee benefit obligations

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.

(i) Gratuity obligations

The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit and loss as past service cost.

(ii) Defined Contribution Plan

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

2.9 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.

2.10 Leases

The Company as a Lessee:

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs
- restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

2.11 Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

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 income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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.

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 is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.12 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.

2.13 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

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

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 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.

2.14 Earnings per share

Basic earnings per share is computed by dividing profit 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 profit attributable to equity shareholders 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.

2.15 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.

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.

2.16 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company operates under single segment of 'Kitchen and Home Appliances'.

2.17 Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are reduced from the carrying amount of the asset. Such grants are recognised in the statement of profit and loss over the useful life of the relatable depreciable asset by way of reduced depreciation charge.

2.18 Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million as per the requirement of Schedule III, unless otherwise stated. Amount mentioned as "0" in the financial statements denote amounts rounded off being less than ₹ 1 million.

2.19 Use of critical estimates and management judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in

Notes to Financial Statements

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applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

(i) Provision for warranties

Warranties against manufactured and other defects as per the terms of the contract with the customers, are provided for based on the estimates made by the Company for standard warranty obligation. It is expected that the expenditure against standard warranties will be incurred in the remaining unexpired warranty period ranging from 6 months to 5 years. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts. Factors that affect the warranty

liability include the number of sold units under warranty, historical and anticipated rate of warranty claims on those units. The estimate is reviewed on an on-going basis and revised where appropriate.

(ii) Provision for refund liabilities

Refund liability (included in other current liabilities) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No significant element of financing is deemed present as the sales are generally made with a credit term of 30 to 60 days, which is consistent with market practice. The Company's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision.

(iii) 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.

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3(A) PROPERTY, PLANT AND EQUIPMENT

Particulars	Land	Buildings	Plant and machinery	Furniture and fixtures	Lease hold improvements (Note i)	Computers	Office Equipments	Vehicles	Total	Capital work-in-progress
Gross block										
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	42.27
Additions	-	11.75	311.01	3.56	-	0.21	0.73	2.93	330.19	192.79
Acquisitions through transfer of assets from Stove Kraft India	-	-	6.67	-	-	-	-	-	6.67	-
Disposals	-	-	(4.73)	-	-	-	-	-	(4.73)	-
Transfers	-	-	24.78	-	-	13.54	-	5.77	44.09	(44.09)
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	190.97
Opening Gross block as at April 01, 2021	844.96	449.85	1,203.24	23.14	9.48	24.46	15.50	38.32	2,608.95	190.97
Additions	3.97	714	757.28	3.29	-	6.39	11.50	2.97	792.54	272.10
Disposals	(54.02)	-	(9.37)	-	-	-	-	-	(63.39)	-
Transfers	-	183.44	184.45	2.12	-	-	0.84	-	370.85	(370.85)
Gross block as at March 31, 2022	794.91	640.43	2,135.60	28.55	9.48	30.85	27.84	41.29	3,708.95	92.22

Accumulated depreciation

Particulars	Land	Buildings	Plant and machinery	Furniture and fixtures	Lease hold improvements (Note i)	Computers	Office Equipments	Vehicles	Total
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	-	1710	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
Opening accumulated depreciation as at April 01, 2021	-	63.49	311.86	11.37	7.90	11.61	12.40	13.41	432.04
Depreciation expense	-	2171	153.89	2.37	1.14	3.68	2.32	5.06	190.17
Eliminated on disposal of assets	-	-	(7.05)	-	-	-	-	-	(7.05)
Accumulated depreciation as at March 31, 2022	-	85.20	458.70	13.74	9.04	15.29	14.72	18.47	615.16
Net carrying amount as at March 31, 2022	794.91	555.23	1,676.90	14.81	0.44	15.56	13.12	22.82	3,093.79

Notes:

- Leasehold improvements are made in the premises that are taken on lease by the franchisee.
- Refer Note No.16 and 20 for information on property, plant and equipment pledged as security against fund and non-fund based facilities entered into by the Company.
- Refer Note No.43 for contractual commitments for the acquisition of property, plant and equipment.
- The balance of land includes Rs. 636.10 (March 31, 2021: Rs. 679.14) of fair value gains that was recognized at the time of adoption of Ind AS as at April 1, 2017 (refer Note 2.3).

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

3(B) CAPITAL WORK IN PROGRESS (CWIP)

Aging of CWIP

Particulars	Amount in Capital work-in-progress for year ended March 31, 2022				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
i) Projects in progress	54.49	37.73	-	-	92.22
ii) Projects temporarily suspended	-	-	-	-	-
Total	54.49	37.73	-	-	92.22

Particulars	Amount in Capital work-in-progress for year ended March 31, 2021				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
i) Projects in progress	188.96	2.01	-	-	190.97
ii) Projects temporarily suspended	-	-	-	-	-
Total	188.96	2.01	-	-	190.97

Notes

- (i) There are no projects whose completion is overdue or has exceeded its budget compared to its original plan.
- (ii) CWIP as at the end of the year comprises of office and factory buildings under construction, and plant and machinery yet to be commissioned.

3(C) INTANGIBLE ASSETS

Particulars	Computer Software
Gross block	
Opening Gross block as at April 01, 2020	10.91
Additions	35.50
Disposals	-
Gross block as at March 31, 2021	46.41
Opening Gross block as at April 01, 2021	46.41
Additions	4.93
Disposals	-
Gross block as at March 31, 2022	51.34
Accumulated amortization	
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
Opening accumulated amortization as at April 01, 2021	14.75
Amortization expense	7.05
Accumulated amortization as at March 31, 2022	21.80
Net carrying amount as at March 31, 2022	29.54

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

4 INVESTMENTS

Particulars	As at March 31, 2022	As at March 31, 2021
Unquoted investments		
In equity instruments of associate (Carried at cost)		
7,500 Equity shares of ₹ 10/- each fully paid up in Pigeon Appliances Private Limited ("PAPL") (Refer Note (i) below), net of impairment	0.08	0.08
Less: Impairment loss on investment in PAPL	(0.08)	(0.08)
Total	-	-
In partnership firm (Carried at cost)		
Capital account	-	155.15
Current account	-	(139.86)
	-	15.29
Less: Impairment loss on investment in partnership firm	-	(5.87)
Adjustment of net assets on dissolution of firm	-	(9.42)
Total	-	-
Aggregate amount of un-quoted investments	0.08	0.08
Aggregate amount of impairment in value of investments	(0.08)	(0.08)

Note

- (i) (a) The Company had invested a sum of Rs. 0.08 for 37.5% paid-up equity share capital of Pigeon Appliances Private Limited (PAPL), a related entity. The business operations of PAPL is controlled by the majority shareholders of PAPL. During the financial year 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 assessment and best judgement, these investments in the equity share capital of PAPL had been impaired fully in earlier years.
- (b) Since the Company does not exercise significant influence, PAPL has not been considered as an associate.
- (ii) Stove Kraft India (Partnership firm) 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) has paid for such losses in full proportion and the remaining net assets were transferred to SKL during the year ended March 31, 2021.
- (iii) Refer note 13 for the investments made and sold during the year.

5 OTHER FINANCIAL ASSETS (NON-CURRENT)

Particulars	As at March 31, 2022	As at March 31, 2021
Deposits with original maturity of more than twelve months		
- Balances held as margin money or security against fund and non-fund based banking arrangements	42.11	-
Security deposits		
Considered good	39.84	53.12
Considered doubtful	1.18	1.18
Less: Allowance for doubtful security deposits (Refer note 36.5)	(1.18)	(1.18)
Total	81.95	53.12

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

6 CURRENT TAX ASSET (NET)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance income tax (net of provision)	2.15	3.57
Total	2.15	3.57

7 DEFERRED TAX ASSET (REFER NOTE 48)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax asset (net)	31.76	-
Total	31.76	-

8 OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured considered good unless otherwise stated)		
Capital advances (Refer Note (i) below)		
Considered good - others	175.09	80.19
Considered good - advance to Managing Director (Refer Note (ii) below)	4.99	-
Considered doubtful	0.91	0.91
Less: Allowance for doubtful advance	(0.91)	(0.91)
	180.08	80.19
Provident fund paid under protest	2.82	2.82
	2.82	2.82
Indirect taxes paid under protest	8.11	7.85
Considered doubtful	3.54	3.54
Less: Allowance for doubtful balances	(3.54)	(3.54)
	8.11	7.85
Balance with government authorities		
Considered good	3.42	3.42
Considered doubtful	11.81	11.81
Less: Allowance for doubtful balances	(11.81)	(11.81)
	3.42	3.42
Prepaid expenses	12.33	3.56
Total	206.76	97.84

- (i) (a) The Company has entered into a Memorandum of Understanding (MoU) with METSMITH Innovations Private Limited dated November 3, 2021 for the purchase of Fixed Assets at a purchase price of ₹ 8.27 (excluding GST) (as detailed vide Stock Exchange announcement dated January 1, 2022).
- (b) The Company has entered in to a Business Transfer Agreement with SKAVA Electric Private Limited dated February 4, 2022 for the acquisition of business/ undertaking as a going concern on a slump sale basis for a lump sum consideration of ₹ 40 (as detailed vide Stock Exchange announcement dated January 1, 2022 and February 4, 2022)
- (c) The Company has made advance payments amounting to ₹48 in relation to the aforesaid purchase of assets/ business acquisition.
- (ii) The balance relates to advance given to Managing Director for purchase of land which is pending completion of transfer formalities.

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

9 INVENTORIES*

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials, components and packing materials (Net) (Refer Note (i) below)	712.40	639.82
Raw material-in-transit	247.45	107.02
Work-in-progress	214.34	119.72
Finished goods (Net) (Refer Note (ii) below)	767.07	436.04
Traded goods	190.81	216.63
Traded goods in transit	42.05	40.86
Total	2,174.12	1,560.09

*Refer note 16 and 20 for details of hypothecation.

Notes

(i) Raw materials, components and packing materials is net of provision for obsolescence of ₹ 9.78 (March 31, 2021: ₹ 2.77)

(ii) Finished goods is net of provision for obsolescence of ₹ 3.59 (March 31, 2021: ₹ Nil)

10 TRADE RECEIVABLES*

Particulars	As at March 31, 2022	As at March 31, 2021
Receivables considered good - secured	-	-
Receivables considered good - unsecured	1,068.37	786.87
Receivables which have significant increase in credit risk	-	186.13
Receivables - credit impaired	157.61	-
	1,225.98	973.00
Less: Allowance for expected credit loss / impairment loss	(258.99)	(125.76)
Total	966.99	847.24

*Refer note 16 and 20 for details of hypothecation.

Aging of trade receivables

Particulars	As at March 31, 2022						
	Outstanding for the following period from the due date of invoice						
	Not Due	Less than 6 Months	6 months - 1 year	1-2 Years	2-3 Years	> 3 Years	Total
Undisputed Trade Receivables							
considered good - Secured	-	-	-	-	-	-	-
considered good - unsecured	702.06	252.11	20.10	15.37	20.70	44.51	1,054.85
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	6.47	8.34	129.71	13.09	157.61
Disputed Trade Receivables							
considered good - Secured	-	-	-	-	-	-	-
considered good - unsecured	-	-	-	-	8.34	5.18	13.52
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
Total	702.06	252.11	26.57	23.71	158.75	62.78	1,225.98

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

Particulars	As at March 31, 2021						Total
	Outstanding for the following period from the due date of Invoice						
	Not Due	Less than 6 Months	6 months - 1 year	1-2 Years	2-3 Years	> 3 Years	
Undisputed Trade Receivables							
considered good - Secured	-	-	-	-	-	-	-
considered good - unsecured	336.60	342.52	15.70	2.10	15.44	74.51	786.87
which have significant increase in credit risk	-	-	-	161.85	16.09	8.19	186.13
credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables							
considered good - Secured	-	-	-	-	-	-	-
considered good - unsecured	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-
Total	336.60	342.52	15.70	163.95	31.53	82.70	973.00

The Company has from time to time in the normal course of business entered into factoring agreements with Banks/Institutions for some of the trade receivables on a non-recourse basis. Under this arrangement, the late payment and credit risk is transferred to Banks/Institutions without recourse to the Company. Therefore the Company derecognises the transferred assets at the point when the amount is received from the Banks/Institutions. As at March 31, 2022 the trade receivables do not include receivables amounting to ₹ 319.34 which has been derecognised (though the actual credit period to the customer has not expired) in accordance with Ind AS 109 - Financial Instruments, pursuant to such factoring agreements.

11(A) CASH AND CASH EQUIVALENTS

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	0.71	0.59
Balances with banks:		
In current accounts	3.34	293.94
Total	4.05	294.53

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

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks:		
In earmarked accounts: balance held as margin money (Refer note (i) below)	115.48	78.94
Interest accrued on deposit with banks	1.00	-
Total	116.48	78.94

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.

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

12 LOANS

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured considered good)		
Advance to employees	0.38	5.20
Total	0.38	5.20

13 OTHER FINANCIAL ASSETS (CURRENT)*

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured considered good)		
Government Incentive Receivable	11.53	21.99
Derivative assets (mark-to-market gain on foreign currency forward contract)	3.59	-
Interest accrued on deposit with banks	-	3.74
Advance paid towards purchase of investment (Refer note below)	-	3.73
Total	15.12	29.46

*Refer note 16 and 20 for details of hypothecation.

Note:

During the financial year 2020-21, an agreement was entered into between the Company and Megasun Solar Tech Private Limited, for which the Company has paid an amount of ₹ 3.73 as advance towards an equity interest in Megasun Solar Tech Private Limited. During the current year the company purchased 74,250 shares of Megasun Solar Tech Private Limited and the same was subsequently sold on July 8, 2021 for a consideration of ₹ 3.73.

14 OTHER CURRENT ASSETS*

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid expense		
Prepaid expense - Excess of CSR expenses carried forward	1.63	-
Prepaid expense - others	16.64	9.30
	18.27	9.30
Advances to suppliers / service providers		
Considered good	127.14	167.91
Considered doubtful	1.15	2.01
Less: Allowance for doubtful advances	(1.15)	(2.01)
	127.14	167.91
Security Deposits - considered good	16.51	-
Right to recover returned goods (Refer Note (i) below)	53.71	-
Balance with government authorities	253.65	162.98
Total	469.28	340.19

*Refer note 16 and 20 for details of hypothecation.

Note: (i) The balance relates to the cost pertaining to possible sales returns as at the end of the year.

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

15(A) EQUITY SHARE CAPITAL

Particulars	As at March 31, 2022	As at March 31, 2021
Authorized (refer Note below)		
40,000,005 Equity shares of ₹ 10/- each (As at March 31, 2021: 40,000,005 Equity shares of ₹ 10/- each) (refer note below)	400.00	400.00
NIL Class A Equity shares of ₹ 10/- each (As at March 31, 2021 : NIL Class A Equity shares of ₹ 10/- each) were re-classified as 10 ordinary equity shares pursuant to a resolution of the Board of Directors dated January 8, 2021 and a special resolution passed by the Shareholders in their extraordinary general meeting dated January 9, 2021.	-	-
Total	400.00	400.00
Issued, subscribed and fully paid up capital		
32,867,867 Equity shares of ₹ 10/- each (As at March 31, 2021 : 32,589,613 Equity shares of ₹ 10/- each)	328.68	325.90
NIL Class A Equity shares of ₹ 10/- each (As at March 31, 2021 : NIL Class A Equity shares of ₹ 10/- each)	-	-
Total	328.68	325.90

Note:

During the previous year, Clause V of the Memorandum of Association was amended to reflect the change in the authorized share capital of the Company from ₹ 400,000,050 divided into 39,999,995 Equity Shares of ₹ 10 each and 10 Class A Equity Shares of ₹ 10 each to ₹ 400,000,050 divided into 40,000,005 Equity Shares of ₹ 10 each.

Class A Equity share holders:

- (1) 5 Class A Equity Shares, were allotted to Sequoia Capital India (SCI) in an earlier year. Subsequent to the issue, 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 Sequoia Capital India - Growth Investment Holdings (SCI-GIH) in an earlier year. Subsequent to the issue, 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.

(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	24,716,727	247.17	10	0
Movement during the year				
Add: Conversion of CCDs into equity shares (Refer to below note (iii))	5,278,147	52.78	-	-
Add: Reclassification of Class A Equity Shares	10	0	(10)	0
Add: Issue of equity shares under employee stock option plan (Refer Note (iv) below)	127,197	1.27	-	-
Add: Fresh issue of equity shares pursuant to public issue	2,467,532	24.68	-	-
Closing balance as at March 31, 2021	32,589,613	325.90	-	-
Opening balance as at April 01, 2021	32,589,613	325.90	-	0
Movement during the year				
Add: Issue of equity shares under employee stock option plan (Refer Note (iv) below)	278,254	2.78	-	-
Closing balance as at March 31, 2022	32,867,867	328.68	-	-

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(Amount in Rupees Millions, unless otherwise stated)

(ii) Rights, preferences and restrictions attached to shares

Equity share holders:

The Company has one class of equity shares having a par value of ₹ 10 each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding.

(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) 2,610,898 Series A CCDs and 2,280,886 Series B CCDs held by SCI have been converted into 2,412,235 and 1,879,122 Equity Shares, respectively; and (ii) 1,197,770 Series B CCDs held by SCI-GIH have been converted to 986,790 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) Issue of equity shares under employee stock option plan:

Information relating to Stove Kraft Limited Employee Stock Option Plan, including details of options issues, exercised and lapsed during the financial year and options outstanding as at the end of the reporting period, is set out in Note 38.

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

Particulars	As at March 31, 2022	As at March 31, 2021
Equity share of ₹ 10/- each		
Rajendra Gandhi		
No. of shares	18,269,115	17,493,919
% of holding	55.58%	53.75%
SCI Growth Investments II		
No. of shares	-	3,245,047
% of holding	0.00%	9.97%
Sequoia Capital India Growth Investment Holdings I		
No. of shares	-	805,915
% of holding	0.00%	2.48%

(vi) Details of share holding pattern of the promoters at the end of the year.

Name of the Promoter	As at March 31, 2022			As at March 31, 2021		
	No of Shares Held	% of Total Shares	% of Change during the year	No of Shares Held	% of Total Shares	% of Change during the year
i. Rajendra Gandhi	18,269,115	55.58%	1.83%	17,493,919	53.75%	-19.82%
ii. Sunita Rajendra Gandhi	200,000	0.61%	0.00%	200,000	0.61%	-0.44%
iii. Neha Gandhi	1	0.00%	0.00%	1	0.00%	0.00%
Total	18,469,116	56.19%		17,693,920	54.36%	

(vii) The Company has not allotted any equity shares pursuant to contract without payment received in cash during the period of 5 years immediately preceding March 31, 2022.

(viii) The Company has not issued any equity shares as fully paid-up by way of bonus shares during 5 years immediately preceding March 31, 2022.

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

15(B) OTHER EQUITY

Particulars	As at March 31, 2022	As at March 31, 2021
Retained earnings	(541.28)	(1,101.77)
Securities Premium	3,834.43	3,785.55
Share options outstanding account	18.27	17.14
Total	3,311.42	2,700.92

Particulars	As at March 31, 2022	As at March 31, 2021
A) Retained earnings		
Opening balance	(1,101.77)	(1,936.90)
Add/(Less) : Profit for the year	562.15	811.84
Add/(Less) : Remeasurement gain/(loss) of defined benefit obligation	(1.66)	23.29
Closing balance [A]	(541.28)	(1,101.77)
B) Securities premium		
Opening balance	3,785.55	1,094.37
Add/(Less) : Premium on shares issued during the year including employee stock option plan	48.88	2,741.92
Add/(Less) : Share issue expenses	-	(50.74)
Closing balance [B]	3,834.43	3,785.55
C) Share options outstanding account		
Opening balance	17.14	8.61
Add: Share based compensation expense (net)	11.00	12.63
Less: Reclassification upon exercise of options during the year	(9.87)	(4.10)
Closing balance [C]	18.27	17.14
Grand total [A+B+C]	3,311.42	2,700.92

(i) Retained Earnings

Retained earnings represents the profits/(loss) that the Company has earned till date including fair value gains recognized at the time of adoption of Ind AS as at April 1, 2017, less any transfers to other reserves and other distributions paid to its equity shareholders [also refer Note 3(a)(iv)].

(ii) Securities premium

Securities premium is used to record the premium received on issue of shares. The securities premium is utilized in accordance with the provisions of the Act.

(iii) Share options outstanding account

The share options outstanding account is used to recognize the grant date fair value of options issued to employees under the Company's share based payment arrangements over the vesting period.

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

16 BORROWINGS (NON-CURRENT)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured (at amortized cost):		
Term loan from bank [Refer note 16(i)]	146.92	191.82
Term loan from financial institutions [Refer note 16(ii)]	-	4.71
Vehicle loan [Refer note 16(iii)]	5.62	10.10
Total	152.54	206.63

Notes :

Sl. No.	Particulars	Interest Rate	Installments outstanding as of March 31, 2022	As at March 31, 2022	As at March 31, 2021
(i)	Term loans from Banks				
	Guaranteed Emergency Credit Line (GECL) loan from HDFC Bank Ltd of ₹ 196 million.	3 months Repo Rate + 3% spread	48 installments (Maturity Date: March 7, 2026)	195.90	195.90
	Repayment : repayable in 48 monthly instalments starting from April, 2022, after 12 months moratorium.				
	Security: a) Extension of second ranking charge over existing primary and collateral securities including mortgages created in favor of HDFC Bank for working capital facilities; b) personal guarantee of Mr. Rajendra Gandhi and Mrs. Sunita Rajendra Gandhi				
	Total (i)			195.90	195.90
(ii)	Term loans from Financial Institutions				
	Equipment Finance facility from Electronica Finance Limited for ₹ 21.40 million with tenor of 24 months.	12.25%	5 Installments (Maturity Date: August 1, 2022)	4.71	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 (ii)			4.71	15.50
(iii)	Vehicle Loans				
a.	Vehicle loan from HDFC Bank Ltd. For ₹ 4 million with tenor of 60 months. Security: Exclusive charge on vehicle.	8.68% per annum	32 installments (Maturity Date: November 30, 2024)	2.37	3.15
b.	Vehicle loan from HDFC Bank Ltd. For ₹ 2 million with tenor of 48 months. Security: Exclusive charge on vehicle.	8.20% per annum	31 installments (Maturity Date : October 31, 2024)	1.35	1.77
c.	Vehicle loan from HDFC Bank Ltd. For ₹ 1.5 million with tenor of 48 months. Security: Exclusive charge on vehicle.	8.20% per annum	31 installments (Maturity Date : October 31, 2024)	1.35	1.77
d.	Vehicle loan from HDFC Bank Ltd. For ₹ 1.5 million with tenor of 48 months. Security: Exclusive charge on vehicle.	8.20% per annum	31 installments (Maturity Date : October 31, 2024)	1.35	1.77

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(Amount in Rupees Millions, unless otherwise stated)

Sl. No.	Particulars	Interest Rate	Installments outstanding as of March 31, 2022	As at March 31, 2022	As at March 31, 2021
e.	Vehicle loan from HDFC Bank Ltd. For ₹ 2 million with tenor of 48 months. Security: Exclusive charge on vehicle.	8.20% per annum	33 installments (Maturity Date : December 31, 2024)	1.12	1.47
f.	Vehicle loan from HDFC Bank Ltd. For ₹ 2 million with tenor of 48 months. Security: Exclusive charge on vehicle.	8.20% per annum	33 installments (Maturity Date : December 31, 2024)	1.12	1.47
g.	Vehicle loan from BMW Financial services For ₹ 4 million with tenor of 60 months. Security: Exclusive charge on vehicle.	8.51% per annum	6 installments (Maturity Date : September 30, 2021)	-	3.29
Total (iii)				8.66	14.69

Sl. No.	Particulars	Interest Rate	Installments outstanding as of March 31, 2022	As at March 31, 2022	As at March 31, 2021
(iv) Secured loans repayable on demand					
a.	Overdraft facility from HDFC Bank repayable on demand. Security: Charged against the hypothecation of current assets	8.25% per annum	On demand	110.65	-
b.	Export packing credit facility from ICICI Bank repayable on demand with a maximum tenor of 120 days from the date of export. Security: Charged against the hypothecation of current assets	7.20% per annum + repo rate	On demand with a maximum tenor of 120 days	153.94	-
c.	Overdraft facility from ICICI Bank repayable on demand. Security: Charged against the hypothecation of current assets	7.20% per annum + repo rate	On demand	121.47	-
d.	Overdraft facility from Axis Bank repayable on demand. Security: Charged against the hypothecation of current assets	7.25% per annum	On demand	18.20	-
e.	Working capital loan from Axis Bank repayable on demand. Security: Charged against the hypothecation of current assets	6.40% per annum	On demand	120.00	-
f.	Working capital loan from ICICI Bank repayable on demand. Security: Charged against the hypothecation of current assets	7.05% per annum	On demand	50.00	130.00
g.	Buyer's credit from Standard Chartered Bank repayable on demand. Security: Charged against the hypothecation of current assets	7.00% per annum	On demand	-	17.97
h.	Working capital loan from HDFC Bank repayable on demand. Security: Charged against the hypothecation of current assets	7.00% per annum	On demand	-	150.00
Total (iv)				574.26	297.97
Total (i)+(ii)+(iii)+(iv)				783.53	524.06
Less: Current portion (Refer Note 20)				(630.99)	(317.43)
Net balance, Non-current				152.54	206.63

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

The Company has not been declared as a wilful defaulter by any bank or financial institution or any other lender in accordance with the guidelines on wilful defaulter issued by the Reserve Bank of India.

17 (A) SUPPLIERS CREDIT (NON-CURRENT)

Particulars	As at March 31, 2022	As at March 31, 2021
Payable under suppliers credit arrangement	189.63	-
Total	189.63	-

17 (B) SUPPLIERS CREDIT (CURRENT)

Particulars	As at March 31, 2022	As at March 31, 2021
Suppliers Credit	578.61	47.16
Total	578.61	47.16

Suppliers credit represents the extended credit period offered by the supplier which is secured against Letter of Credit (LC). Under this arrangement, the supplier is eligible to receive payment from negotiating bank prior to the expiry of the extended credit period. The interest for the extended credit period payable to the bank on maturity of the LC has been presented under finance cost.

18 OTHER FINANCIAL LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposits received	-	171.24
Total	-	171.24

19 PROVISIONS (NON-CURRENT)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits:		
Gratuity (Refer note 37)	53.42	43.46
Provision for warranties (Refer Note (ii) below)	9.07	19.05
Total	62.49	62.51

Note

- (i) The entire amount of the provision for compensated absences of ₹ 19.60 (March 31, 2021: ₹ 11.52) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months.

Particulars	As at March 31, 2022	As at March 31, 2021
Leave obligations not expected to be settled within the next 12 months	13.92	9.25

- (ii) Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. 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. Majority of the claims are expected to be settled in the next financial year. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Warranty Provision		
Opening balance	32.73	19.57
Add/(Less) : Additions during the year	66.48	13.87
Add/(Less) : Reversed / utilisation during the year	(68.97)	(0.71)
Closing balance	30.24	32.73
Of the above the amounts expected to be incurred within a year, to be classified as current	21.17	13.68
Non-current portion	9.07	19.05

20 BORROWINGS (CURRENT)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured loans repayable on demand from banks (at amortised cost):		
From banks (Refer note (i) below)	420.32	297.97
Packing credit from banks (Refer note 16(iv)(b))	153.94	-
	574.26	297.97
Current maturities of long-term borrowings		
Term loan from bank [Refer note 16(i)]	48.98	4.08
Term loan from financial institutions [Refer note 16(ii)]	4.71	10.79
Vehicle loan [Refer note 16(iii)]	3.04	4.59
	56.73	19.46
Interest accrued but not due on borrowings	-	1.33
Total	630.99	318.76

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, trade receivables, other financial assets and other current assets, charge over property, plant and equipment of the company along with equitable mortgage of immovable properties.
- (ii) Refer Note 49 for reconciliation of quarterly statements filed with the banks to the balances as per books of accounts.

21 TRADE PAYABLES

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises (Refer note 40)	62.88	59.46
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,210.94	1,465.52
Total	1,273.82	1,524.98

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

Ageing of Trade Payables:

Particulars	As at March 31, 2022						Total
	Outstanding for the following period from the due date of payment						
	Not Billed	Not Due	Less than 1 Year	1-2 Years	2-3 Years	> 3 Years	
Undisputed trade payables							
Micro enterprises and small enterprises	-	36.83	25.96	0.09	-	-	62.88
Others	600.25	82.78	498.13	29.78	-	-	1,210.94
Disputed trade payables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	600.25	119.61	524.09	29.87	-	-	1,273.82

Particulars	As at March 31, 2021						Total
	Outstanding for the following period from the due date of payment						
	Not Billed	Not Due	Less than 1 Year	1-2 Years	2-3 Years	> 3 Years	
Undisputed trade payables							
Micro enterprises and small enterprises	-	55.26	4.20	-	-	-	59.46
Others	197.53	953.77	314.22	-	-	-	1,465.52
Disputed trade payables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	197.53	1,009.03	318.42	-	-	-	1,524.98

22 OTHER FINANCIAL LIABILITIES (CURRENT)

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposits received	167.62	7.74
Capital Creditors	110.99	61.14
Total	278.61	68.88

23 PROVISIONS (CURRENT)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits:		
Gratuity (Refer note 37)	13.48	5.61
Compensated absence	19.60	11.52
Provision - others:		
For warranty (Refer note 19(ii))	21.17	13.68
Total	54.25	30.81

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

24 CURRENT TAX LIABILITIES (NET)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for current tax liabilities (net)	3.51	-
Total	3.51	-

25 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory taxes payable	33.73	32.50
Advance received from customers	37.07	25.37
Salaries Payable	126.39	83.25
Refund liabilities (Refer Note below)	222.85	110.81
Total	420.04	251.93

Note:

Where a customer has a right to return a product within a given period, the Company recognises a refund liability for the amount of consideration received for which the entity does not expect to be entitled to. Such refund liability amounts to ₹64.73 as at March 31, 2022. The Company also recognises an asset (i.e., right to recover the returned goods- Refer Note 14). The costs to recover the products are not material because the customers usually return them in a saleable condition.

Refund liabilities are also recognised for incentive schemes payable to its customers amounting to ₹ 158.12 (March 31, 2021: ₹ 110.81).

26 REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of products		
Manufactured goods	9,793.48	6,877.77
Traded goods	1,503.39	1,655.14
Other operating revenue:		
Sale of scrap	40.91	27.22
Duty drawback	25.81	29.44
Total	11,363.59	8,589.57

Refer Note 41 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 since there are no contracts that have original expected duration exceeding one year.

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

Reconciliation of revenue recognized with contract price:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Contract price	11,657.52	8,865.63
Adjustments for:		
Refund liabilities including incentive schemes	360.65	332.72
Revenue from contracts with customers	11,296.87	8,532.91

The Company is eligible for Duty Drawback and Remission of Duties and Taxes on Export Products (RoDTEP). The income recognized on Duty Drawback and RoDTEP is ₹ 12.03 (March 31, 2021: ₹ 29.44) and ₹13.78 (March 31, 2021: Nil) respectively.

Pursuant to the approval from the IFCI Limited (a Government of India Undertaking) under the Production Linked Incentive (PLI) Scheme, the Company is eligible for incentives under the white goods category from FY 2022-23. The Company will be making necessary claims in this regard in the forthcoming years.

27 (A) OTHER INCOME

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income		
Interest from banks on deposits	2.63	4.77
Interest income on financial assets designated at amortized cost	0.76	0.20
Liability no longer required, written back	-	1.84
Miscellaneous income	2.38	3.73
Total	5.77	10.54

27 (B) OTHER GAINS/(LOSSES) - NET

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net gain/(loss) on mark-to-market of forward exchange contracts	3.59	0.66
Net gain/(loss) on foreign currency transactions and translation	(8.37)	(9.52)
Share of profit from investment in partnership firm	-	2.82
Profit/(loss) on sale of property, plant and equipment (net)	(16.65)	0.51
Total	(21.43)	(5.53)

28 COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening stock of raw materials	746.84	446.41
Add: Purchases	7,239.36	4,724.66
	7,986.20	5,171.07
Less: Closing stock of raw materials	(959.85)	(746.84)
Total	7,026.35	4,424.23

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

29 PURCHASE OF STOCK-IN-TRADE

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Purchase of traded goods	1,108.80	1,251.90
Total	1,108.80	1,251.90

30 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories at the beginning 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 end of the year:		
Finished goods	767.07	436.04
Work-in-progress	214.34	119.72
Stock-in-trade	232.86	257.49
	1,214.27	813.25
(Increase) / decrease	(401.02)	(93.72)

31 EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	961.57	698.80
Contributions to provident fund and others (Refer note 37)	77.49	57.84
Gratuity expense (Refer note 37)	20.02	15.34
Share-based compensation expenses (net)	11.00	12.63
Staff welfare expenses	53.71	21.56
Total	1,123.79	806.17

32 DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on property, plant and equipment (Refer note 3(a))	190.17	135.56
Amortization of intangible assets (Refer note 3(c))	7.05	6.79
Total	197.22	142.35

33 ALLOWANCE FOR EXPECTED CREDIT LOSS/IMPAIRMENT OF FINANCIAL ASSETS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Provision for doubtful trade and other receivables, loans and advances (net)	133.23	40.39
Total	133.23	40.39

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

34 OTHER EXPENSES

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Job work charges	198.30	146.57
Power and fuel	126.93	89.76
Bill Discounting	27.19	-
Lease rentals (Refer Note (i) below)	13.62	10.10
Repairs and maintenance		
Buildings	9.20	17.07
Plant and machinery	72.60	48.35
Others	5.39	4.58
Insurance	11.89	6.75
Corporate Social Responsibility expenditure (CSR) (Refer Note 44)	5.72	-
Rates and taxes	18.59	7.05
Communication	6.29	9.11
Contract Labour Charges	26.64	-
Travelling and conveyance	49.43	37.43
Printing and stationery	2.60	1.20
Freight and forwarding	331.90	289.17
Sales commission	77.45	97.47
Business promotion and advertisement expenses	282.49	184.83
Legal and professional fees	35.56	25.90
Payment to statutory auditors comprises		
For statutory audit	4.60	3.50
Out-of-pocket expense	1.50	0.06
Provision for warranty (Refer note 19(ii))	66.48	13.87
Impairment loss on investment in partnership firm	-	2.69
Royalty	19.31	11.23
Bank Charges	7.14	4.14
Miscellaneous expenses	23.23	12.30
Total	1,424.05	1,023.13

Note

(i) Lease rental represents expenses relating to short-term leases.

35 FINANCE COSTS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense - borrowings	101.97	175.91
Interest expense - suppliers credit	2.82	5.12
Other bank charges	5.32	7.26
Total	110.11	188.29

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

36 FINANCIAL INSTRUMENTS

36.1 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 (borrowings as detailed in notes 16 and 20, Current maturities of non-current borrowings as detailed in note 20, suppliers credit as detailed in notes 17(a) and 17(b), 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, 2022	As at March 31, 2021
Debt (i)	1,551.77	572.55
Less: Cash and bank balances	4.05	294.53
Net Debt(A)	1,547.72	278.02
Total Equity(B)	3,640.10	3,026.82
Net debt to equity ratio (A/B) (Refer note (ii) below)	0.43	0.09

(i) Debt is defined as non-current borrowings, current maturities of non-current borrowings, current borrowings (refer note 16 and note 20), non-current suppliers credit and current suppliers credit (refer note 17(a) and 17(b)).

(ii) Net Debt Reconciliation :

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents	4.05	294.53
Suppliers credit	(768.24)	(47.16)
Borrowings	(783.53)	(525.39)
Net Debt (A)	(1,547.72)	(278.02)

Particulars	Other assets	Liabilities from financing activities		Total
	Cash and cash equivalents	Borrowings	Suppliers credit	
Net debt as on April 1, 2020	143.92	(3,383.84)	-	(3,239.92)
Cash flows	150.61	2,855.28	(47.16)	2,958.73
Interest expense	-	(148.03)	-	(148.03)
Interest paid	-	151.20	-	151.20
Net debt as on March 31, 2021	294.53	(525.39)	(47.16)	(278.02)
Cash flows	(290.48)	(259.47)	(721.08)	(1,271.03)
Foreign exchange adjustments	-	-	-	-
Interest expense	-	(104.79)	-	(104.79)
Interest paid	-	106.12	-	106.12
Net debt as on March 31, 2022	4.05	(783.53)	(768.24)	(1,547.72)

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

Categories of financial instruments:

Particulars	As at March 31, 2022	As at March 31, 2021
Financial assets		
Measured at amortised cost		
Trade receivables	966.99	847.24
Cash and cash equivalents	4.05	294.53
Bank balances other than cash and cash equivalents above	157.59	78.94
Loans	0.38	5.20
Derivative Instruments	3.59	-
Other financial assets	93.48	82.58
Financial liabilities		
Measured at amortised cost		
Borrowings (including current maturities of non current borrowings)	783.53	525.39
Supplier credit	768.24	47.16
Trade Payables	1,273.82	1,524.98
Other financial liabilities	278.61	68.88

36.2 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 - The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The mutual funds are valued using the closing NAV. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2 - The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The fair value of derivative contracts are determined using the market approach considering forward exchange rates at the balance sheet date.

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3. The management considers that the carrying amount of financial assets and financial liabilities recognised in these financial statements at amortized 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.

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

Market Risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (refer Note 36.3 below) and interest rates (refer Note 36.4 below). The Company enters into derivative financial instruments including forward foreign exchange contracts to hedge the exchange rate risk arising on the export and import of goods.

36.3 Foreign currency risk management

The Company is exposed to foreign exchange risk due to 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.

36.3.1 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:

Particulars	As at March 31, 2022	As at March 31, 2021
Contracts not designated as cash flow hedge	174.36	-

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, 2022	As at March 31, 2021
Payables (including borrowings)	USD	152.29	67.38
	EURO	59.48	-
	RMB	162.74	68.24
Trade receivables	USD	81.80	97.21

36.3.2 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 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	
	March 31, 2022	March 31, 2021
Appreciation of USD	3.52	(1.49)
Depreciation of USD	(3.52)	1.49

The impact on equity has been arrived at by applying the effects of appreciation / depreciation effects of currency on the net position (Assets in foreign currency - Liabilities in foreign currency) in the respective currencies.

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

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.

36.4 Interest rate risk

The company has also taken loans in Indian Rupees at variable interest rate (Refer Note 16 and 20). 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, 2022	As at March 31, 2021
Fixed-rate instruments		
Financial assets		
Balance held as margin money	157.59	78.94
Financial liabilities		
Borrowings from banks and other financial institutions*	-	14.69
Security deposit received	-	178.98
	157.59	272.61
Variable-rate instruments		
Financial liabilities		
Borrowings from banks and other financial institutions	783.53	509.37
	783.53	509.37

*excludes suppliers credit

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, 2022	For the year ended March 31, 2021
Increase of 100 bps on variable rate instruments	(7.84)	(10.46)
Decrease of 100 bps on variable rate instruments	7.84	10.46

The line item in the balance sheet that includes the above instrument is "Other financial assets".

36.5 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.

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

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.

Reconciliation of expected credit loss - Trade receivables

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening allowance for expected credit loss	125.76	98.38
Add : Additional Provision	133.23	40.39
Less : Credit impaired	-	(13.01)
Closing Provision	258.99	125.76

Reconciliation of loss allowance provision for security deposits

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Provision	1.18	1.18
Add / (Less) : Change in Provision	-	-
Closing Provision	1.18	1.18

Details of expected credit loss:

As at March 31, 2022

Particulars	Not Due	0 to 90 days	91 to 180 days	181 to 270 days	271 to 365 days	Over 365 days	Total
Gross carrying amount	713.63	222.29	23.97	12.69	6.23	247.17	1,225.98
Expected loss rate	1.74%	3.53%	19.59%	39.96%	52.41%	91.31%	
Expected credit losses	12.42	7.85	4.70	5.07	3.27	225.68	258.99
Net carrying amount	701.21	214.44	19.27	7.62	2.96	21.49	966.99

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.

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

As at March 31, 2022

Particulars	Due within			Total
	1 year	1-3 years	> 3 years	
Borrowings	1,209.60	293.20	48.97	1,551.77
Trade payables	1,273.82	-	-	1,273.82
Other financial liabilities	278.61	-	-	278.61

As at March 31, 2021

Particulars	Due within			Total
	1 year	1-3 years	> 3 years	
Borrowings	365.92	161.74	44.89	572.55
Trade payables	1,206.55	318.43	-	1,524.98
Other financial liabilities	68.88	171.24	-	240.12

The interest rate for borrowings with variable interest rate is in the range of 7.1% to 12.25%. Interest rate for security deposit classified as other financial liabilities is 9%.

36.6 Financing Facilities

Particulars	As at March 31, 2022	As at March 31, 2021
Secured term loan facilities		
- amount used	209.30	195.90
- amount unused	-	-
Secured cash credit facilities		
- amount used	574.30	280.00
- amount unused	832.80	274.32
Secured non-fund based bank facilities		
- amount used	1,242.90	384.76
- amount unused	-	-

37 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 contributions are made to registered provident fund administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The company recognises the amount paid / payable to such funds in the statement of profit and loss. The contributions made by the company towards these schemes are as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Employer's contribution to provident fund (included as Contributions to provident fund, in Note 31)	63.29	48.22
Employee state insurance scheme (included as above)	14.20	9.62

Notes to Financial Statements

(Amount in Rupees Millions, 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 then 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.

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

Following tables sets out the un-funded status of defined benefit plan and amount recognised in the financial statement.

(i) Assumptions

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Discount rate	6.71%	6.73%
Salary escalation	8.00%	6.00%
Attrition rate	39.00%	25.00%

(ii) Change in present value of obligation

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of obligation as at the beginning of the year	49.07	51.12
Interest cost	3.16	3.40
Current service cost	16.86	11.94
Past service cost	-	-
Benefits paid	(3.85)	(1.24)
Actuarial (gain)/loss of obligations	1.66	(16.15)
Present Value of Obligation as at the end of the year	66.90	49.07

(iii) The Company does not have any plan assets as at the end of current and previous period.

(iv) Amounts recognized in Balance sheet

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of obligations as at the end of the year	66.90	49.07
Fair value of plan assets as at the end of the year	-	-
Funded status	(66.90)	(49.07)
Net balance sheet asset/ (liability) recognized at the end of the year	(66.90)	(49.07)
Current portion	13.48	5.61
Non-current portion	53.42	43.46

(v) Expenses Recognized in statement of profit and loss

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current service cost	16.86	11.94
Interest cost	3.16	3.40
Past service cost	-	-
Expected Return On Plan Assets	-	-
Amortization Of Actuarial (Gain)/Loss	-	-
Expenses recognized in statement of profit and loss	20.02	15.34

(vi) Components of defined benefit costs recognised in Other Comprehensive Income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Actuarial (gains) / losses arising from changes in demographic assumptions	(5.02)	-
Actuarial (gains) / losses arising from changes in financial assumptions	6.10	(0.52)
Actuarial (gains) / losses arising from experience adjustments	0.58	(15.63)
Actuarial (gains) / losses in Other Comprehensive Income	1.66	(16.15)

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Effect on DBO due to 100 bps increase in discount rate	(3.17)	(2.88)
Effect on DBO due to 100 bps decrease in discount rate	3.50	3.22

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Effect on DBO due to 100 bps increase in salary escalation rate	3.02	2.91
Effect on DBO due to 100 bps decrease in salary escalation rate	(2.80)	(2.68)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Effect on DBO due to 100 bps increase in attrition rate	(0.72)	(0.32)
Effect on DBO due to 100 bps decrease in attrition rate	0.76	0.01

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.

(vii) Expected future cash outflows (undiscounted) towards the plan are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Year 1	14.00	5.87
Year 2	7.86	7.00
Year 3	6.13	3.70
Year 4	6.94	3.94
Year 5	3.67	5.16
Year 6 to 10	17.55	13.35

38 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.

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

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. Once vested the options remains exercisable for a period of 4 years.

Grant Date	No. of Options	Vesting conditions	Contractual life of the options vesting period
October 1, 2018	755,328	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	270,725	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.

Inputs into the model	Option granted under 'Stove Kraft Employee Stock Option Plan 2018'		
	October 10, 2020	January 03, 2020	October 01, 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 programs were as follows:

Employees stock option plan:	As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	Number of options	Weighted average exercise price (in ₹)	Number of options	Weighted average exercise price (in ₹)	Number of options	Weighted average exercise price (in ₹)
Option outstanding at the beginning of the year	671,889	150	618,353	150	755,328	150
Granted during the year	-	-	270,725	150	30,081	150
Exercised during the year	278,254	150	127,197	150	167,056	150
Forfeited/Expired during the year	21,929	-	89,992	150	-	-
Options outstanding at the end of the year	371,706	150	671,889	150	618,353	150
Exercisable at the end of the year	37,215	150	176,104	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 Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

39 EARNINGS PER SHARE

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Basic		
Net profit/(loss) after tax attributable to the equity shareholders (₹ in Million) (A)	562.15	811.84
Weighted average no. of equity shares outstanding (B)	32,660,799	30,507,422
Face value per share (₹)	10.00	10.00
Basic earnings per share (A/B) (₹)	17.21	26.61
Diluted		
Net profit/(loss) after tax attributable to the equity shareholders (₹ in Million) (C)	562.15	811.84
Weighted average no. of equity shares outstanding	32,660,799	30,507,422
Add: Effect of dilutive common equivalent shares – share options outstanding	494,566	423,786
Weighted average number of equity outstanding for Diluted EPS (D)	33,155,365	30,931,208
Face value per share (₹)	10.00	10.00
Diluted earnings per share (C/D) (₹)	16.96	26.25

40 DISCLOSURES REQUIRED UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Particulars	As at March 31, 2022	As at March 31, 2021
a) i) The principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	61.99	53.70
ii) Interest due thereon remaining unpaid on year end.	0.89	3.00
b) The amount of interest paid by the buyer under the terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.		
i) Delayed payments of principal amount paid beyond the appointed date during the entire accounting year.	203.03	-
ii) Interest actually paid under Section 16 of the Act, during the entire accounting year.	-	-
c) 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 the Micro, Small and Medium Enterprises Development Act, 2006.	4.03	2.76
d) The amount of interest accrued and remaining unpaid as at year end		
i) Total interest accrued during the year	4.92	5.76
ii) Total interest remaining unpaid, out of the above as at year end	4.92	5.76
e) The amount of further interest 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 of the Micro, Small and Medium Enterprises Development Act, 2006.	11.20	0.52

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

41 SEGMENT REPORTING

The Company operates under single 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, 2022	For the year ended March 31, 2021
India	10,363.61	7,743.38
Others	999.98	846.19
Total	11,363.59	8,589.57

b. Non-current* assets with in India and outside India are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
India	3,424.46	2,500.95
Others	-	-
Total	3,424.46	2,500.95

*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 two customers from whom 31.94% (19.45% and 12.49% respectively) of company's total revenue was earned (March 31, 2021 consisted of one customer representing 22.96% of total revenue).

42 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 Mr. Rajendra Gandhi Mrs. Shubha Rao Mayya Mr. Rajiv Nitin Mehta Mr. Anup Sanmukh Shah (From November 2, 2021) Mr. Bharat Singh (Up to on March 30, 2022) Ms. Neha Gandhi Mr. Shashidhar SK (From July 27, 2018 to December 20, 2021) Mr. Shashidhar SK (From July 27, 2018 to May 25, 2021) Mr. Balaji A S (From January 1, 2022) Mr. Elangovan S (From May 25, 2021)	Chairman of the Board Managing Director (MD) Independent Director Chief Executive Officer and Whole Time Director Independent Director Nominee Director Relative of MD and Director Chief Financial Officer Company Secretary Chief Financial Officer Company Secretary
2	Enterprises owned or significantly influenced by KMP or their relatives: Shinag Allied Enterprises Private Limited (SAEPL) Pigeon Appliances Private Limited (PAPL)	MD's brother's spouse is a Director Company is shareholder and MD is director
3	Investment in partnership firm (refer Note 4): Stove Kraft India (Partnership firm) (upto September 20, 2020)	Company and MD are partners in the firm
4	Relative of KMP Mrs. Sunita Rajendra Gandhi	Spouse of MD

Note: Related parties mentioned above is as identified by the Company relied upon by the auditors.

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

B. Transactions with related parties

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations		
SAEPL	2.58	0.16
Purchases		
SAEPL	2.34	0.71
Job Work		
SAEPL	1.11	1.37
Reimbursement of expenses cross-charged		
PAPL	3.74	0.56
Rent including lease rentals		
Mrs. Sunita Rajendra Gandhi	-	0.36
Investment / (Drawings) (net) in		
SKI	-	(9.42)
Loss on investment in		
SKI	-	2.69
Share of Profit / (loss)		
SKI	-	2.82
Managerial remuneration (exclusive of share based payments):		
Mr. Rajendra Gandhi	10.60	8.71
Mr. Shashidhar SK	5.71	6.63
Mr. Rajiv Nitin Mehta	19.89	19.63
Ms. Neha Gandhi	2.41	2.02
Mr. Balaji A S	1.14	-
Mr. Elangovan S	1.39	-
Sitting Fee paid to		
Mrs. Shubha Rao Mayya	2.25	0.90
Mr. Lakshmikant Gupta	2.25	0.90
Mr. Anup Sanmukh Shah	0.30	-
Share-based compensation expenses		
Mr. Rajiv Nitin Mehta	9.68	13.24
Mr. Shashidhar SK	0.08	0.44

C. Balances with related parties

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payable (including payable for Property, Plant and Equipments)		
SAEPL	0.05	2.93
Trade receivables (including advances given and reimbursements cross-charged)		
PAPL	4.01	0.29
SAEPL	0.65	3.42
Capital Advances		
Mr. Rajendra Gandhi	4.99	4.99
Remuneration payable		
Mr. Rajendra Gandhi	0.88	0.77
Ms. Neha Gandhi	0.20	0.18
Mr. Shashidhar SK	-	0.62
Mr. Rajiv Nitin Mehta	9.06	0.93
Mr. Balaji A S	0.32	-
Mr. Elangovan S	0.12	-

Notes to Financial Statements

(Amount in Rupees Millions, 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, 2022	For the year ended March 31, 2021
Short-term benefits	45.20	38.78
Post-employment benefits (Refer note below)	0.74	1.06
Total	45.94	39.84

Note

Post - employment benefits excludes gratuity and leave encashment which cannot be separately identified from the composite amount advised by the actuary.

43 CONTINGENT LIABILITIES AND COMMITMENT

Particulars	As at March 31, 2022	As at March 31, 2021
Contingent liabilities (Refer notes below)		
Indirect tax matters under appeal	53.10	58.29
Direct Tax matters	6.75	
Other disputed claims	1.50	2.68
Provident fund claims	9.39	9.39
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for tangible assets (net of advances)	289.81	347.13

Note:

Indirect tax matters under appeal includes service tax cases relating to disallowance of input tax credit on certain services and VAT cases relating to non submission of Form C and Form F for various assessment years.

Direct tax matters includes disputes on account of adjustments relating to taxation under section 115BAA /115BA and certain other disallowances for the assessment year 2021-22.

44 CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Amount required to be spent by the company during the year	5.72	-
Amount of expenditure incurred	7.35	-
Accrual towards unspent obligations in relation to:		
Ongoing project	-	-
Other than ongoing projects	-	-
Total	-	-
Amount required to be spent as per Section 135 of the Act	5.72	-
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	7.35	-

Details of ongoing CSR projects under Section 135(6) of the Act

Balance as at April 1, 2021		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2022	
With the Company	In Separate CSR Unspent Account		From the company's bank account	From separate CSR unspent account	With the Company	In Separate CSR Unspent Account
-	-	5.72	7.35	-	-	-

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

Balance unspent as at April 1, 2021	Amount deposited in specified fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31, 2022
-	-	-	-	-

Details of excess CSR expenditure under Section 135(5) of the Act

Balance excess spent as at April 1, 2021	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at March 31, 2022 (Refer note below)
-	5.72	7.35	1.63

Note

The excess CSR spent during the financial year can be set off against the CSR expenditure required to be spent by the Company in the immediately succeeding three financial years (upto year ending March 31, 2025)

45 FINANCIAL RATIOS

Particulars	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for Variance
a. Current ratio	Current Asset	Current Liabilities	1.16	1.41	-18%	
b. Debt-equity ratio	Total Debt (including supplier's credit)	Total Equity	0.43	0.19	125%	Increase in debt-equity ratio is mainly on account of increase in supplier's credit, representing financing of trade payables which is partially offset by increase in total equity significantly on account of profit for the year.
c. Debt service coverage ratio	Earning for debt service	Debt Services (including supplier's credit)	0.61	1.98	-69%	Decrease in debt service coverage ratio is mainly on account of increase in supplier's credit.
d. Return on equity (RoE)	Net profit after tax reduced by preference dividend, if any	Average shareholders equity	16.86%	66.54%	-75%	RoE has decreased due to (a) significant increase in Equity base (1,220.1 to 3,333.46) (b) reduction in profit before tax in the current year and impact of tax for the year.
e. Inventory turnover ratio	Cost of goods consumed	Average Inventory	4.14	4.10	1%	
f. Trade receivable turnover ratio	Total Revenue from operations (excluding duty drawback)	Average Trade Receivables	12.50	9.12	37%	Increase in debtors turnover ratio is on account of improved collections including factoring arrangement and strict credit/provisioning norms.

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

Particulars	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for Variance
g. Trade payable turnover ratio	Total Purchases	Average Trade Payables	5.97	3.94	52%	Increase in creditors turnover ratio was on account of increase in supplier's credit, representing financing of trade payables.
h. Net capital turnover ratio	Total Revenue from operations (excluding duty drawback)	Average Working Capital	22.38	9.37	139%	Increase in net capital turnover ratio is mainly on account of reduction in working capital due to the availment of suppliers credit facilities.
i. Net profit ratio	Net Profit after Tax	Total Revenue from operations (excluding duty drawback)	4.96%	9.48%	-48%	Decrease in Net Profit Ratio is on account of contraction in gross margins due to significant increase in input costs during the year.
j. Return on capital employed (ROCE)	Earnings before interest and tax (EBIT)	Capital Employed	14.17%	27.79%	-49%	Decrease in ROCE was on account of contraction in gross margins, due to increase in input cost during the year and increased capital employed at the end of the year.
k. Return on investment	Interest Income	Average fixed deposits placed	2.51%	3.27%	-23%	

46 RELATIONSHIP WITH STRUCK-OFF COMPANIES

Name of struck-off company	Nature of transactions	Balance outstanding	Transactions during the year	Relationship with the struck-off company (if any)
Darpan Enterprises Limited	Sale of Products	-	4.85	None
Igus (India) Pvt. Ltd.	Service Provider	-	0.02	None
Nanilall Basanth Kumar Private Limited	Service Provider	-	0.22	None
Pinnacle Manforce Private Limited	Service Provider	0.08	-	None

47 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.

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

48 DETAILS OF CURRENT TAX AND DEFERRED TAX

(i) Income tax recognised in the statement of profit and loss

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax expense		
Current tax		
In respect of current year	95.01	-
Total (A)	95.01	-
Deferred tax		
(Credit)/ Charge for the year	(31.76)	-
Total (B)	(31.76)	-
Total income tax expense recognised in the statement of profit and loss (A+B)	63.25	-

(ii) Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate:

Particulars	As at March 31, 2022	As at March 31, 2021
Profit before tax	625.40	811.84
Company's domestic tax rate	25.17%	25.17%
Tax using the Company's domestic tax rate (Refer Note (a) below)	157.41	204.34
Tax effect of:		
Effect of non-deductible expense:		
Corporate social responsibility expenses	1.44	
Interest on MSME payments	0.21	
Utilisation of tax losses of prior years not recognised as deferred tax assets in the earlier years	(92.44)	(204.34)
Others	(3.37)	
Income tax recognised in the statement of profit and loss	63.25	-

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.

(iii) Movement in deferred tax balances

Particulars	Net balance April 1, 2020	Recognised in profit or loss	Net balance as on March 31, 2021 [Refer Note (i) below]	Adjustments [Refer Note (ii) below]	Recognised in profit or loss	Net balance as on March 31, 2022
Deferred tax assets/ (liabilities)						
Property, plant and equipment	(389.15)	106.30	(282.85)	241.78	(26.07)	(67.14)
Employee benefits	20.97	(5.72)	15.25	-	7.02	22.27
Provision for expected credit loss	34.37	(2.72)	31.65	-	30.34	61.99
Other Items	6.84	1.40	8.24	-	6.40	14.64
Deferred tax assets/ (liabilities)	(326.97)	99.26	(227.71)	241.78	17.69	31.76
Set off of tax losses utilised to the extent of deferred tax liability	326.97	(99.26)	227.71	(241.78)	14.07	-
Net deferred tax assets (Liabilities)	-	-	-	-	31.76	31.76

Notes:

(i) During the previous year, the Company had a net deferred tax asset with respect to certain timing differences. These timing differences mainly related to carried forward business losses, unabsorbed depreciation and the company recognised deferred tax asset as on March 31, 2021 only to the extent of deferred tax liability and the remaining deferred tax assets amounting to ₹81.7 was not recognised in the absence of being able to reasonably estimate the extent of future taxable profits against which to utilise these assets.

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

- (ii) For the assessment year 2021-22, the company opted to pay lower tax under section 115BAA of the Income Tax Act, 1961. Consequently, the company made necessary adjustment in its tax returns to increase the written down value of plant and machinery by adding back the carry forwarded additional depreciation of prior years, thereby impacting the deferred tax assets/(liabilities) in the books of accounts. However, the net deferred tax assets/(liabilities) continues to remain Nil as at March 31, 2021 since deferred tax asset has been recognised only to the extent of deferred tax liability.

49 QUARTERLY STATEMENTS

The Company has filed quarterly statements with the banks in relation to the sanctioned working capital facilities, which are in agreement with the books of account other than those as set out below:

Quarter ended	Name of the bank	Amount as per books of account*	Amount as reported in the quarterly statement*	Amount of difference	Reasons for material discrepancies
September 2021	HDFC Bank, ICICI Bank and Axis Bank	1,761.12	1,657.40	103.72	The difference is mainly attributable to certain trade receivable balances which were not included in the statement filed with the bank.
March 2022		2,170.17	2,305.20	(135.03)	The net difference is mainly attributable to inventory in-transit which has been considered in inventory but not been considered in liabilities component.

*Amount includes stock in trade, trade receivables as reduced by trade payables.

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

51 ADDITIONAL REGULATORY INFORMATION

(i) Details of benami property held.

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets.

The Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts except for those differences presented in Note 49.

(iii) Wilful defaulter.

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iv) Compliance with section 185 and 186 of the Act.

The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act during the current financial year.

(v) Compliance with approved scheme(s) of arrangements.

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

Notes to Financial Statements

(Amount in Rupees Millions, unless otherwise stated)

(vi) Utilisation of borrowed funds and share premium.

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(vii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(viii) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(ix) Valuation of Property, Plant & Equipment, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year.

(x) Other regulatory information

Title deeds of immovable properties not held in name of the company

The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in note 3 to the financial statements, are held in the name of the company.

Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.

52 Previous year's figures have been re-grouped/reclassified, wherever necessary, to conform to current year's classification.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Mohan Danivas S A

Partner

Membership Number : 209136

For and on behalf of the Board of Directors

Rajendra Gandhi

Managing Director

DIN: 01646143

Rajiv Nitin Mehta

CEO and Whole Time Director

DIN: 00697109

Balaji A S

Chief Financial Officer

Elangovan S

Company Secretary

Membership Number : A39753

Place : Bengaluru
Date : May 30, 2022

Place : Bengaluru
Date : May 30, 2022

STOVE KRAFT LIMITED

Registered Office: #81/1, Medamaranahalli Village, Harohalli Hobli, Kanakapura Taluk, Ramanagar
District, Karnataka, 562112, CIN: L29301KA1999PLC025387 Phone No.: +91 80-28016222
E-mail: cs@stovekraft.com Website: www.stovekraft.com

NOTICE OF THE 23RD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 23rd Annual General Meeting (the "Meeting" or "AGM") of Stove Kraft Limited (the "Company") will be held on Monday, September 12, 2022 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 financial statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon;
2. To appoint a Director in place of Mrs. Neha Gandhi, Executive Director (DIN: 07623685) who retires by rotation and being eligible, offers herself for re-appointment;

SPECIAL BUSINESS:

3. Ratification of remuneration payable to 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 and other applicable provisions, if any, of the Companies Act, 2013 read the Companies (Audit and Auditors) Rules and Companies (Cost Records and Audit) Rules (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force), the Remuneration payable to M/s. G S & Associates (Firm Registration number:- 00301), Cost Auditors of the Company, to conduct the audit of Cost Records of the Company for the Financial Year ending March 31, 2023, as recommended by the Audit Committee of the Company and approved by the Board of Directors of the Company, amounting ₹ 1,00,000 plus applicable taxes and out of the pocket expenses incurred for conducting the aforesaid audit, be and hereby ratified and confirmed".

"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."

4. Appointment of Mr. Anup Shah Sanmukh as a Non-Executive Independent Director for 5 years with effect from November 02, 2021

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161 read with Schedule IV and other applicable provisions of the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or amendment(s) or re-enactment thereof for the time being in force) Mr. Anup Shah Sanmukh (DIN: 00317300) who was appointed as an Additional (Non-Executive) Independent Director with the effect from November 02, 2021 on the Board of Company and holds office up to the date of Annual General Meeting, be and is hereby appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold the office for a term of five consecutive years commencing from November 02, 2021 to November 01, 2026.

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), be and is hereby authorized to do all acts and take all steps as may be necessary, proper or expedient to give effect to this resolution."

5. Approval of Charges for Service of Documents on the Shareholders

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

“RESOLVED THAT pursuant to the provisions of Section 20 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, whereby a document may be served on any Shareholder by the Company by sending it to him by Post or by Registered Post or by Speed Post or by Courier or by electronic mode or any other mode as may be prescribed, the consent of the Shareholders be and is hereby accorded to charge from member the fee in advance equivalent to the estimated actual expenses of delivery of the documents ,pursuant to any request made by the Shareholder for delivery of such documents

to him, through a particular mode of services mentioned above provided such request along with requisite fee has been duly received by the Company at least one week in advance of the dispatch of document by the Company and that no such request shall be entertained by the Company post the dispatch of such document by the Company to the Shareholder.

“RESLOVED FURTHER THAT, the Board of Directors of the Company (including its Committee thereof), be and is hereby authorised to do all acts and take take steps as may be necessary, proper or expedient to give effect to this resolution.”

Place: Harohalli, Bangalore
Date: August 04, 2022

Elangovan.S
Company Secretary
M.No:A39753

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

Item No 3

Ratification of remuneration payable to Cost Auditors

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 financial year 2022-23 at a remuneration of INR 1,00,000/- (One Lakh Rupees only) 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. 3 of this Notice for the approval of the Members

Item No 4

Appointment of Mr. Anup Shah Sanmukh as a Non-Executive Independent Director for 5 years with effect from November 02, 2021

The Board of Directors in their meeting held on November 02, 2021 on the recommendation of Nomination and Remuneration Committee ('NRC') had appointed Mr. Anup Shah Sanmukh as an Additional Non-Executive Independent Director on the Board of the Company with effect from November 02, 2021, till the date of next Annual General Meeting.

In the opinion of the Board he fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder for such appointment and he is independent of the management. He is not liable to retire by the rotation.

Pursuant to the provisions of Section 161 of the Companies Act, 2013 ('Act'), Mr. Anup Shah Sanmukh (DIN: 00317300) holds office upto the date of the ensuing Annual General Meeting.

He is not dis-qualified from being appointed as director in terms of Section 164 of the Act and has consented to act as a Non-Executive Independent Director of the Company. He has submitted a declaration to the Company to the effect that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

Mr. Anup Shah Sanmukh, aged 65 years holds a Bachelor's degree in commerce from HR college, Mumbai. He has over 36 years of has advised in the field of law, specifically real estate law. Since, founding his own firm in 1993, he advised developers, builders and foreign and domestic investors in structuring real estate transactions, leases, development agreements and joint ventures. He specializes in commercial and property documentation, corporate and commercial litigation, properly related issues, land laws and arbitration and alternative dispute resolutions. He is the founder Partner of Anup Shah Sanmukh Law firm in Bangalore.

Except Mr. Anup Shah Sanmukh, None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the Resolution.

Accordingly, the Board recommends the Special Resolution at item no.4 of this Notice for the approval of the Members.

Item No 5

Approval of Charges for service of Documents on the Shareholders

Section 20 of the Companies Act, 2013 read with Rule 35 of the Companies (Incorporation) Rules, 2014 provides the mode of service of documents inter-alia to the members of the Company. Further, proviso to sub-section (2) of that Section states that where a member requests for delivery of any document through a particular mode, he shall pay such fees as may be determined by the company in its Annual General Meeting.

Therefore, to enable the members to avail of this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution.

Accordingly, the Board recommends the Ordinary resolution at item no.5 of this Notice for the approval of the Members.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the Resolution.

TO ITEMS. 2 AND 4 OF THE NOTICE

Details of Directors seeking appointment and re-appointment at the Annual General Meeting [Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard 2 on General Meetings]

Name of the Director	Mrs. Neha Gandhi	Mr. Anup Shah Sanmukh
DIN	07623685	00317300
Date of Birth	June 4, 1993	June 25, 1957
Nationality	Indian	Indian
Date of appointment on the Board	September 30, 2016	November 02, 2021
Qualifications	<ul style="list-style-type: none"> Bachelors's degree in Business Administration from Christ University Post-Graduate Certificate programme in sale and marketing management from MICA(formerly Mudra Institute of Communications, Ahmedabad). 	<ul style="list-style-type: none"> Bachelor's degree in Commerce from HR College ,Mumbai Degree in law from Government law College
Expertise in specific functional area	Specialized in Marketing	He specializes in commercial and property documentation, corporate and commercial litigation, properly related issues, land laws and arbitration and alternative dispute resolutions
Number of shares held in the Company including Shareholding as beneficial owner	1	285
Directorships held in other public companies (excluding foreign companies and Section 8 companies)/Limited Liability Partnership.	Nil	<ol style="list-style-type: none"> Puravankara Limited Sobha Limited Bhoruka Power Corporation Limited Provident Housing Limited
Number of Board Meetings attended during the year 2021-22	1/7	3/3
Memberships / Chairmanships of committees of other public companies along with Listed Entities from which the person has resigned in the past three years	Nil	<ol style="list-style-type: none"> Puravankara Limited Sobha Limited Bhoruka Power Corporation Limited Provident Housing Limited
Listed Entities from which the Directors has resigned in the past three years.	Nil	Nil
Relationships between Directors inter-se	Daughter of Mr. Rajendra Gandhi, Managing Director.	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 she is liable to retire by rotation.	https://stovekraft.com/wp-content/uploads/2021/11/TERMS_AND_CONDITIONS_OF_APPOINTMENT_OF_INDEPENDENT_DIRECTORS.pdf
Remuneration details	Have been furnished in the Corporate Governance Report	Only sitting fees paid. Details have been furnished in the Corporate Governance Report.
In case of Independent directors,the Skills and Capabilities required for the Role and the manner in which the proposed person meets the requirements.	NA	The Nomination and Remuneration Committee of the Board has evaluated the profile of Mr. Anup Shah Sanmukh. He possess the relevant skill and capabilities to discharge the role of Independent Director.

Notes:-

1. Pursuant to General Circular No.19/2021, 02/2022 dated December 08, 2021 and May 5, 2022 respectively issued by the Ministry of Corporate Affairs (“MCA Circulars”) and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 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 23rd 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 23rd 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 Special Business under Item nos. 3 to 5 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 Annual General Meeting 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 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 upto 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, scrutinizers 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 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 / authorization letter to the Company or upload on the VC portal / e-voting portal provided by Kfin.
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 (M.No FCS 7834, CP 13784) and failing him Mr. Biswajit Ghosh (M No. FCS 8750, CP 8239), Partners of BMP & Co. LLP, Company Secretaries, to act as the Scrutinizer to scrutinize 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 September 05, 2022 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 23rd 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 23rd AGM and the Annual Report for the year 2021-22 and all other communication sent by the Company, from time to time, can get their email address registered through your respective Depository Participants.

11. Members may also note that the Notice of this AGM and the Annual Report for the year 2021-22 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 Financial Year 2021-22 are being sent by electronic mode to those Members whose e-mail addresses are registered with the DPs or the Company/K Fin Technologies 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., September 12, 2022. 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 address are requested to register their e-mail address for receiving all communication including Annual Report, Notices, and Circulars etc. from the Company electronically.
15. Members who are holding shares in Demat mode are requested to notify any change in their residential address, Bank A/c details and/or email address immediately to their respective depository Participants.
16. **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 Ltd. Selenium, Tower B Plot No. 31-32, Financial District Nanakramguda, Srilingampally, Rengareddi, Hyderabad, Telangana, 500032, Toll Free No : 1-800-309-4001

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. Monday, September 05, 2022, can access the notice of AGM along with the Annual report for the financial year 2021-22 on the website of the Company <https://stovekraft.com/investors/>, website of stock exchanges i.e., BSE Limited <https://www.bseindia.com/> and National Stock exchange of Indian Limited <https://www.nseindia.com/> and on the website of RTA at <https://evoting.kfintech.com/>.

In case of any queries, please write to (einward.ris@kfintech.com)

2. 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 Limited (Formerly known as KFin Technologies Private Limited)

- (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

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.

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.

CDSL

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 Easi/Easiest

- (i) Option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>
- (ii) Proceed with completing the required fields.

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 abovementioned 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., 6816, 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 6816 +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> 5934HMT12345678

3. OTHER GENERAL INSTRUCTION FOR REMOTE E-VOTING:

- a) The remote e-voting facility will be available during the following period:

Start date and time	September 09, 2022 at 9:00 A.M.
End date and time	September 11, 2022 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 number 1-800-309-4001 or send an e-mail request to einward.ris@kfintech.com for all e-voting related matters.

4. 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. September 05, 2022, and who are attending the meeting and who have not already cast their vote(s) through remote e-voting.

5. 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 September 07, 2022 at 09.00 A.M. IST to September 08, 2022 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., September 05, 2022.

- 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.

6. 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 23rd 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 Limited (KFin Technologies Private Limited) 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 authorized in that respect, who shall countersign the same and thereafter announce the results of the e-voting. The results declared along with the scrutinizer'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.

Summarized Information at a glance:

Particulars	Details
Time and Date of AGM	September 12, 2022 at 11:00 A.M.
Venue/Mode	Through Video Conferencing
Cut-off for E-Voting	September 05, 2022
E-Voting Start time and date	September 09, 2022 at 9:00 A.M.
E-Voting End time and Date	September 11, 2022 at 5:00 P.M.
E-Voting Website Links	https://evoting.kfintech.com/ https://eservices.nsdl.com https://web.cdslindia.com/myeasi/home/Login
E-Voting Sequence Number (EVEN)	6816
Weblink for temporary registration to receive AGM Notice and credentials for E-Voting/E-AGM AGM Notice and credentials for E-voting / eAGM	https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx



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